

SEPARATE AND CONSOLIDATED ANNUAL REPORT

Approved by the Board as at 10 April 2018

I. GENERAL INFORMATION

Reporting period Year ended 31 December 2017

Issuer and its contact details

Name of the Issuer	Avia Solutions Group AB (hereinafter – ‘Avia Solutions Group AB’ or ‘the Company’)
Legal form	Public company (joint-stock company)
Date of registration	31 August 2010
Name of Register of Legal Entities	State Enterprise Centre of Registers
Code of enterprise	302541648
Registered office	Smolensko St. 10, LT-03201 Vilnius, Lithuania
Telephone number	+370 5 252 5500 / +44 20 808 99777
E-mail	info@aviasg.com
Internet address	www.aviasg.com

Persons responsible for the accuracy of the provided information:

Name	Position	Telephone number	E-mail
Jonas Janukenas	CEO of Avia Solutions Group AB	+370 5 252 5500	Jonas.Janukenas@aviasg.com
Aurimas Sanikovas	CFO of Avia Solutions Group AB	+370 5 252 5500	Aurimas.Sanikovas@aviasg.com
Daiva Sitoniene	Financial Reporting Manager of Avia Solutions Group AB	+370 5 252 5500	Daiva.Sitoniene@aviasg.com

Main activities

Avia Solutions Group AB is a holding company together with its subsidiaries (hereinafter collectively – the ‘Group’) engaged in delivering our clients integrated aviation related services.

For management purposes, the Group is organized into business units based on the services provided, and has five reportable operating segments:

- Aircraft and Helicopter Maintenance, Repair and Overhaul (MRO);
- Aircraft Ground Handling and Fuelling;
- Crew Training and Staffing;
- Private Jet Charter, Flight and Tour Operations;
- Unallocated segment.

Aircraft Maintenance, Repair and Overhaul (MRO)

Activities in our MRO business segment are conducted by FL Technics UAB (*FL Technics*), Jet Maintenance Solutions UAB (*Jet Maintenance Solutions*), FL Technics Line OOO (*FL Technics Line*), Locatory.com AB (*Locatory.com*), Helisota UAB (*Helisota*), Storm Aviation Limited (*Storm Aviation*), Storm Aviation (Cyprus) Limited (*Storm Aviation Cyprus*), Storm Aviation (Nigeria) Limited (*Storm Aviation Nigeria*), Storm Aviation (Germany) GmbH (*Storm Aviation Germany*), Avia Technics Dirgantara PT. and FL Technics Asia Co. Ltd and include: aircraft base and line maintenance; component management; engineering services; spare parts and consumable sales; technical training; consulting; engine maintenance management; defence aircraft component support; aircraft parts marketplace services; business jet maintenance and repair services and other related aircraft and helicopter maintenance services.

Base maintenance

FL Technics occupies 3 aircraft maintenance hangars together with administrative, warehouse and back shop facilities in Vilnius International Airport, Kaunas International Airport and Soekarno - Hatta International Airport, Jakarta – 31,200 sq. meters in total. The hangars are comprised of total 8 airframe maintenance bays with 3 more in Jakarta. Utilizing these hangars and the nearby premises *FL Technics* provides base maintenance services, including: aircraft base maintenance checks, structure inspection and structure repairs, routine maintenance, technical defect rectification, interior refurbishment, minor/major modifications (avionics, airframe), engine replacement, landing gear replacement and non-destructive testing.

Line maintenance

Line maintenance is defined as maintenance that is carried out before each flight to ensure that the aircraft is airworthy and fit for the intended flight and includes: daily service and weekly checks, unscheduled checks, 24/7 AOG support troubleshooting, defect rectification and minor component replacements. As at 31 December 2017 *FL Technics*, *Storm Aviation*, *Storm Aviation (Cyprus)*, *Storm Aviation Germany* and *Storm Aviation (Nigeria)* collectively operated thirty five line stations (at 31 December 2016 – twenty seven line stations).

Continuing airworthiness management (engineering) services

FL Technics provides comprehensive engineering management services to the aircraft operators, airlines and leasing companies. Basic engineering services provided by *FL Technics* include: aircraft airworthiness review and renewal, engine condition monitoring, aircraft weighting, flight data read-out, monitoring and analysis and ageing aircraft programs.

Spare parts and consumable sales

Spare parts and consumable sales are carried by the Group through *FL Technics* and *FL Technics Line*. The Group provides comprehensive spare parts management services including: planning/provisioning, purchasing, inventory control, asset management, warehousing and distribution of spare parts and consumables. One of the core competences of the Group is expanded own stock of spare parts and components in a number of locations, such as London, Vilnius, Moscow. Stock and in-house capabilities are listed in databases such as ILS, Parts Base and Locatory.com. *FL Technics* provides cost saving programmes for airlines and component repair management. In addition to ad hoc and pool agreements, the power-by-the-hour (PBH), Consumable Support products, full wheels and brakes (W&B) programs, including pool of W&B assets, repairs and logistics are provided by *FL Technics* for existing and new customers.

Technical training and consulting services

FL Technics provides technical training for aviation specialists involved in the maintenance and repair of aircraft, as well as other specialized training programs and consulting services. The training programs, which are drawn up in accordance with the requirements of EASA, cover four main areas: basic maintenance training, aircraft type training, specialized aviation training and other consulting services. *FL Technics* has developed specialized online training program specifically for aircraft technical professionals worldwide: www.147training.com. Specialized aviation training includes auditors training (theory and practice), wheels and brakes training, avionics components maintenance training, implementing rules – PART-M and PART-145 training, human factors training, fuel tank safety training, quality systems training, aviation legislation training, aircraft structure repair training, engineering and planning procedures training, material management and logistics training, escape slides and life preservers maintenance training and engine borescope inspection (CFM56-3) training.

Engine and Components management services

FL Technics provides comprehensive engine and component management services aimed at saving its customers' time and money. Scrap replacement materials are provided during a shop visit. *FL Technics* also offers a number of alternative options to deal with the engine, landing gear, APU and other components' problems, including exchange, sale, purchase and lease of an engine or other components.

Defence aircraft component support

FL Technics provides comprehensive spare parts support and overhaul of components for various types of defence aircraft. It has possibilities to support defence vehicles with spare parts supply, overhaul and modernization services.

Other MRO services

Other MRO services are mainly comprised of non-destructive testing (eddy current, magnetic particle, dye penetrate and ultrasonic) of airframes and components services provided by *FL Technics*, and of aircraft parts marketplace services provided by *Locatory.com*. *Locatory.com* develops and maintains its own trading platform catered specifically to the aircraft spare parts aftermarket while offering proactive customer support and enhancing the industry with effective supply chain management solutions. *Locatory.com* developed Sensus MRO a web-based ERP solution for the MRO industry, which easily integrates with other software services and ensures connectivity.

Business jet MRO

Business jet MRO operations are carried by the Group through *Jet Maintenance Solutions*. The subsidiary is a global provider of tailor-made maintenance, repair and overhaul services for business aviation. Certified as an EASA Part-145 organization, *Jet Maintenance Solutions* serves business aircraft registered in the Russian Federation, Belarus, Turkmenistan, Kazakhstan, Ukraine, Lebanon, Nigeria, Aruba, Bermuda and Cayman Islands. This company is the first service centre in the region authorized to provide warranty support for Tronair's ground support equipment (GSE) and is appointed by Rockwell Collins as an Authorized Business and Regional Systems (BRS) Dealer. *Jet Maintenance Solutions* provides base maintenance services for Hawker Beechcraft BAe 125 (Hawker Beechcraft 700 / 750 / 800 / 800XP / 850XP / 900XP), Bombardier CL-600-2B19 (Bombardier CRJ100/200 and Bombardier Challenger 850), Bombardier CL-600-2B16 (Bombardier Challenger 604/605) and Bombardier BD-700 (Bombardier Global 5000/6000) aircraft type families.

Helicopter MRO

Helisota is an international provider of integrated maintenance, repair and overhaul (MRO) services for rotor craft aviation. The company is an EASA Part 145 maintenance organisation for Robinson and Airbus Helicopters, Part 145 organisation and Part 147 organisation as well as an authorized Robinson Helicopters Company service center. *Helisota* is also approved by Interstate Aviation Committee (IAK) as Overhaul and Repair station, Holds GosNII GA and ASA100 approvals for supply of aviation spares. Furthermore, *Helisota* is approved under quality management system ISO 9001, AQAP-2120 quality requirements. Based on certificates and years of experience *Helisota* is able to offer a list of services for various government and private rotor craft operators worldwide: helicopters MRO, component MRO, spare parts supply, helicopters sales, upgrades and modernization.

Aircraft Ground Handling and Fuelling

Aircraft ground handling and fuelling services are conducted by Subsidiaries of the Company, namely: Baltic Ground Services UAB (*Baltic Ground Services LT*), Baltic Ground Services Sp.z.o.o. (*Baltic Ground Services PL*), Baltic Ground Service UA TOV (*Baltic Ground Service UA*), Baltic Ground Services RU OOO (*Baltic Ground Services RU*), Baltic Ground Services EE OÜ (*Baltic Ground Services EE*), Baltic Ground Services CZ s.r.o. (*Baltic Ground Services CZ*) and Baltic Ground Services LV SIA (*Baltic Ground Services LV*).

The above mentioned companies are jointly referred to as *Baltic Ground Services*. *Baltic Ground Services* is a regional group of ground handling companies, which provide full range of aircraft ground handling and fuelling services. As at 30 June 2017, *Baltic Ground Services* activities were concentrated in main airports of Lithuania, Latvia, Estonia, Poland, Ukraine and Russia. In the 1st half of the year, *Baltic Ground Services* started its activities in Czech Republic. *Baltic Ground Services* expands its network and continues to develop its activities in aforementioned regions.

Crew Training and Staffing

Crew training and staffing operations are carried through BAA Training UAB (*BAA Training*) and AviationCV.com UAB (*AviationCV.com*).

Certified as the Approved Training Organization (ATO), *BAA Training* offers Fixed or Rotary wing Ab Initio, Type Rating, Cabin Crew, Ground Handling, Flight Dispatcher and UAV/UAS training solutions including online training courses. Headquartered in Vilnius, Lithuania, the academy provides custom training solutions combined with personal care and seeks to establish itself as a globally recognised leading aviation training centre.

BAA Training occupies approx. 3 000 sq. meters. The training centre is divided into Ab Initio school and Type Rating training learning complex with modern auditoriums, rest areas, dining rooms and specialised training facilities equipped with FNPT II (Flight Navigation Procedures Trainer), A320 FTD (Flight Training Device), Boeing 737-300/400/500 and Airbus A320 Full Flight Simulators (FFS), Real Fire Fighting and Smoke Trainer; aircraft fleet of 1 Cessna 172S, 9 Tecnam P2002JF and 2 Tecnam 2006T. The fleet of *BAA Training* is located and practical training conducted in S. Dariaus and S. Girėno, Istra, Kyviskes aerodromes and also investments were made, that new flight base in Southern Europe would be introduced next year for ensuring year-round flight training for all airline cadets. Ab initio department signed partnership contracts with 3 different airlines for Cadet Pilot programmes last year.

BAA Training offers training solutions for more than 15 types of aircraft on 86 Full Flight Simulators at more than 30 locations in Europe, North and South Americas, Africa and Asia. Furthermore, actions were made in 2017 for the new training centre in Vietnam to be established in the beginning of 2018. An agreement with CAE was signed to purchase 3 new simulators - two of them, Airbus A320 and Boeing 737NG, will be placed in Lithuania, Vilnius next year, and one, Airbus A320, will be placed in new training centre in Vietnam. Course completion certificates issued by *BAA Training* are valid in all EASA countries as well as in Belarus, Jordan, Laos, Kazakhstan, Kyrgyzstan, Kenya, Nepal, Republic of Korea, Russia, Seychelles, Tanzania, Tajikistan and Ukraine.

Moreover, *BAA Training* created and is constantly developing MOMook - intelligent business management software designed specifically for aviation training centres. MOMook also offers an integrated solution for efficient and cost-effective tracking of aircrafts – Flight Tracker. SimHelp, yet another business line of *BAA Training*, is the first point of contact for FFS Operators regarding spare parts supply. In 2016 *BAA Training* launched Emblick – an internal Avia Solutions Group training and competency centre, which is also open for other Lithuanian organisations.

The new business line TapkPilotu began first development actions in 2017 to promote a sponsorship training model for Lithuanian citizens and first students should be starting training in the second half of 2018.

AviationCV.com is a global provider of aviation specialist resourcing solutions for airlines, MRO providers and other industry players. The company runs a job search portal (www.aviationcv.com) for flight crew members, aircraft engineers and other aviation specialists aimed at meeting short and long term human resource needs of the global aviation industry.

Private Jet Charter, Flight and Tour Operations

The Group is involved in private jet charter operations related activities conducted through KlasJet UAB. *KlasJet* is a charter carrier (EASA AOC holder), specializing in private and corporate flights as well as comprehensive aircraft management solutions. With a fleet of business jets based in Vilnius, Lithuania, as well as other airports across Russian Federation, Eastern Europe and the CIS, *KlasJet* is perfectly positioned to provide VIP flight services to customers and partners at any place and time. KlasJet offers its customers, aircraft owners, maintenance and refurbishment solutions, CAMO support, crew recruitment and training solutions, spare parts and components supply.

The Group is involved in flight operations related activities conducted through its subsidiary, Laserpas UAB. In March 2015 Laserpas started its operations as an international remotely piloted airborne system (RPAS) operator, offering comprehensive and tailor-made UAV solutions to accommodate a wide array of customer needs in a variety of industries. Laserpas is the first independent RPAS operator in the Baltic States, engaged in the activity of developing state-of-the-art payload control and image processing systems. The company also conducts high-precision, long distance UAV and manned helicopter operations, providing its customers with actionable data and professional support. In 2016 Laserpas has executed first commercial contracts, and currently has pending contracts in Serbia, Estonia, Brazil, Peru and Chile. Currently Laserpas is able to use both – its own and leased UAVs and manned helicopters.

KIDY Tour UAB, KIDY Tour OÜ, KIDY Tour OOO and KIDY Tour SIA collectively represent Tour Operations companies. The purpose of companies' activities is to provide clients with tour operator as well as other related services. Currently companies are offering a wide range of holiday tours into Turkish and Egypt resorts. In order to become one of the leading travel operators in Baltic States, Kidy Tour companies are actively working on introducing new travel destinations.

The Company's vision and mission

The Company's vision is to be the best partner in aviation related services in the region. By employing professionalism of our employees, taking responsibility and being flexible in finding the best way to improve any situation we enable customers to focus on their core activities. The Group's mission is to create value for shareholders and customers by providing professional and high-quality aviation related services.

As on 30 June 2017, the Group consisted of the parent company, *Avia Solutions Group AB*, (registered on 31 August 2010, code 302541648, name of the Register of Legal Entities: State Enterprise Center of Registers; address: Smolensko St. 10, LT-03201 Vilnius tel.: +44 20 808 99777; e-mail: info@aviasg.com; internet address: www.aviasg.com) and its effective subsidiaries and associate:

Name of the company	Date of registration, code, name of Register of Legal Entities	Contact details	Effective holding of the Company (%)
AviationCV.com UAB	13 April 2011, code 302615625, Register of Legal Persons of the Republic of Lithuania	Saltoniškių str. 29, LT-08105, Vilnius, Lithuania tel. +44 203 468 7523, info@aviationcv.com, www.aviationcv.com	100.00
BAA Training UAB	22 November 2006, code 300618099, Register of Legal Persons of the Republic of Lithuania	Dariaus ir Girėno st. 21, LT-02189 Vilnius, Lithuania tel. +370 5 2525536, fax. +370 5 2525537, info@baatraining.com, www.baatraining.com	100.00
BAA Simulators UAB	24 October 2017, code 304700437, Register of Legal Persons of the Republic of Lithuania	Dariaus ir Girėno st. 21, LT-02189 Vilnius, Lithuania tel. +370 5 2525536, fax. +370 5 2525537, info@baatraining.com, www.baatraining.com	100.00
FLT Trading House UAB	26 May 2010, code 302514409, Register of Legal Persons of the Republic of Lithuania	Žirmūnų st. 139, LT-09120, Vilnius, Lithuania tel. +44 20 808 99777	100.00
FL Technics Ulyanovsk OOO	22 July 2011, code 7329004322, State Register of Legal Entities of Russian Federation	Sovietskaya st. 6, 433400, Cherdakly, Cherdaklinsky District, Ulyanovsk Region, Russian Federation tel. +370 682 30366, fax. +370 5 252 5646	99.99885
Helisota UAB	7 May 1997, code 134953768, Register of Legal Persons of the Republic of Lithuania	Europos Ave. 5, LT-46329 Kaunas, Lithuania tel. +370 3 742 1637, fax. +370 3 742 0420, helisota@helisota.com, www.helisota.com	100.00
Kauno aviacijos gamykla UAB	16 July 1993, code 133745440, Register of Legal Persons of the Republic of Lithuania	Europos Ave. 21, LT-46329 Kaunas, Lithuania tel. + 370 3 742 0395, fax. +370 3 742 0994 kag@kaunas.omnitel.net	100.00*
Jet Maintenance Solutions UAB	11 June 2007, code 300869952, Register of Legal Persons of the Republic of Lithuania	Smolensko st. 10A, LT-03201 Vilnius, Lithuania tel. +370 5 252 5662, info@jetms.aero, www.jetms.aero	100.00
KIDY Tour UAB	3 December 2015, code 304147043, Register of Legal Persons of the Republic of Lithuania	Konstitucijos ave. 12-2, LT-09038, Vilnius, Lithuania, tel. +370 5 2078070, info@kidytour.lt, www.kidytour.lt	100.00
KIDY Tour OÜ	20 November 2006, code 11324349, Centre of Registers and Information Systems	Narva str. 7-352, Kesklinna district, Tallinn 10117, Estonia, tel. +372 6108000, info@kidytour.ee, www.kidytour.ee	100.00
KIDY Tour OOO	6 March 2017, code 1177746219969, State Register of Legal Entities of Russian Federation	Four Winds Plaza, 1st Tverskaya-Yamskaja Str., 21, 125047, Moscow, Russia, tel. +7 495 233 32 99, fax +7 495 956 10 06 info@kidytour.ru, www.kidytour.ru	100.00
KIDY Tour SIA	9 October 2017, code 50203097901, State Enterprise Register	Dzirnavu Street 57A-4, Riga, LV-1010, Latvia tel. +371 67660656, info@kidytour.lv, www.kidytour.lv	100.00
KlasJet UAB	9 October 2013, code 303163347, Register of Legal Persons of the Republic of Lithuania	Smolensko st. 10, LT-03201 Vilnius, Lithuania tel. +370 6 332 2768, fax. +370 5 252 5529 info@klasjet.aero, www.klasjet.aero	100.00**
Laserpas UAB	4 July 2011, code 302644356, Register of Legal Persons of the Republic of Lithuania	Smolensko st. 10B, LT-03201 Vilnius, Lithuania tel. +370 5 2525500, fax. +370 5 2525501, info@laserpas.com, www.laserpas.lt	50.00
Locatory.com UAB	7 December 2010, code 302572273, Register of Legal Persons of the Republic of Lithuania	Smolensko st. 10, LT-03201 Vilnius, Lithuania tel. +370 520 75423, info@locatory.com, www.locatory.com	95.00
Baltic Ground Services UAB	11 August 2005, code 300136658, Register of Legal Persons of the Republic of Lithuania	Rodūnios road 6, LT- 02187 Vilnius, Lithuania tel. +370 5 252 55 92, fax. +370 5 252 50 07, info@bgs.aero, www.bgs.aero	100.00

Name of the company	Date of registration, code, name of Register of Legal Entities	Contact details	Effective holding of the Company (%)
Baltic Ground Services Sp.z.o.o.	15 April 2010, code 0000353957, Register of Entrepreneurs of the National Court Register held by the District Court for the Capital City of Warsaw in Warsaw, XIII Commercial Division of the National Court Register	Komitetu Obrony Robotników 45 B, 02-146 Warsaw, Poland, tel. +48 22 256 99 00 info.waw@bgs.aero, www.bgs.aero	100.00***
Baltic Ground Services UA TOV	29 August 2011, code 37856865, State Register of Legal Entities and Individual Entrepreneurs of Ukraine	Muzeyni lane, 4, 01001, Kyiv, Ukraine tel. +380 96 731 59 76, info@bgs.aero, www.bgs.aero	50.00***
Baltic Ground Services RU OOO	23 March 2015, code 1155040001973, State Register of Legal Entities of Russian Federation	Zhukovskiy-5, 140185, Moscow region, Russian Federation, tel. +7 495 922 40 07 info.mow@bgs.aero, www.bgs.aero	100.00***
Baltic Ground Services EE OÜ	15 July 2015, code 12890890, State Enterprise Register	Lennujaama st. 13, Tallinn, Harju Region 11101, Estonia, www.bgs.aero	100.00***
Baltic Ground Services LV SIA	12 December 2012, code 40103619641, State Enterprise Register	Nakotne street 3, Riga Airport, Marupe district, LV-1053, Latvia, tel. +37167280007, info.lv@bgs.aero, www.bgs.aero	51.00***
Baltic Ground Services CZ s.r.o.	31 December 2015, code 04681061, State Enterprise Register	Mošnov 413 , 742 51, Czech Republic Tel. +420 777 147 856 Info.cz@bgs.aero	100.00***
BGS Trans UA LLC	3 July 2017, code 41429950, State Register of Legal Entities and Individual Entrepreneurs of Ukraine	Muzeyni lane, 4 Kyiv 01001, Ukraine, tel. +380 50 533 21 11, www.bgs.aero	100.00***
FL Technics UAB	22 December 2005, code 300517602, Register of Legal Persons of the Republic of Lithuania	Rodūnijos road 18, LT-02188 Vilnius, Lithuania tel. +370 5 252 5015, fax. +370 5 252 5646, info@fltechnics.com, www.fltechnics.com	100.00
Avia Technics Dirgantara PT.	5 August 2014, code (TDP) No.09.04.1.33.39698, Ministry of Justice and Human Rights	Bandara Soekarno-Hatta International Airport, Tangerang, Banten 19120, Indonesia, indonesia@fltechnics.com	49.00****
FL Technics Asia Co. Ltd.	4 January 2016, code 0105559000107, The Bangkok Partnerships/Companies Registry Office	184/30 Forum Tower 12A Fl. Ratchadaphisek Road, Huay Khwang, Bangkok 10320, Thailand tel. +66 204 75458, asia@fltechnics.com	99.997****
FL Technics Line OOO	3 August 2011, code 7746600289, State Register of Legal Entities of Russian Federation	Vnukovo International Airport, 2nd Reysovaya Street 2, Building 5, Moscow, Russia tel. +7 915 270 4220, fax. +370 5 252 5646, line@fltechnics.com, www.fltechnicsline.com	93.00****
Storm Aviation Ltd	30 September 2011, code 05229468, The Registrar of Companies for England	The Diamond Hangar, Long Border Road, Stansted Airport, Essex, CM24 1RE, Great Britain, tel. +44 1279 681330 line@stormaviation.com, www.stormaviation.com	100.00****
Storm Aviation (Cyprus) Ltd.	30 September 2011, code HE290461, Ministry of Commerce, Industry and Tourism, Department of Registrar of Companies and Official Receiver Nicosia	Rafail Santi 58, Nefeli Court 11, 1st floor, Flat/Office 104-105, 6052, Larnaca, Cyprus www.stormaviation.com	100.00****
Storm Aviation (Nigeria) Ltd	26 August 2016, code RC1357613, Corporate Affairs Commission Federal Republic of Nigeria	Suite 7, Second Floor, Ibukun House 70, Adetokunbo Ademola Street, Victoria Island, Lagos State, Nigeria, tel. +234 (0) 909 999 3057	100.00****
Storm Aviation (Germany) GmbH	29 March 2017, code HRB 80251, German Commercial Register	Königsallee 70, 40212, Düsseldorf, Germany tel +44 (0) 7476 328085	100.00****
Avia Solutions Group B.V.	21 March 2014, code 60335653, The Dutch Chamber of Commerce	Keizersgracht 241, 1016EA Amsterdam, the Netherlands	30.00

Name of the company	Date of registration, code, name of Register of Legal Entities	Contact details	Effective holding of the Company (%)
Avia Solutions Group Airports Management LLC	14 March 2014, code 1147746272190, State Register of Legal Entities of Russian Federation	Four Winds Plaza, 1st Tverskaya-Yamskaja Str., 21, 125047, Moscow, Russia tel. +7 495 232 0139, fax +7 495 232 0139 info@rampport.aero , www.rampport.aero	30.00*****
RAMPOR AERO JSC	30 July 2014, code 1145040008827, State Register of Legal Entities of Russian Federation	Four Winds Plaza, 1st Tverskaya-Yamskaja Str., 21, 125047, Moscow, Russia tel. +7 495 232 0139, fax +7 495 232 0139 info@rampport.aero , www.rampport.aero	22.50*****
RAMPOR SECURITY LLC	6 May 2015, code 1155040003051, State Register of Legal Entities of Russian Federation	Narkomvoda St. 23, 140180, Zhukovsky, Moscow Region, Russia tel. +7 495 232 0139, fax +7 495 232 0139 info@rampport.aero , www.rampport.aero	22.50*****
RAMPOR Aviation Commerce JSC	19 December 2012, code 1125040004033, State Register of Legal Entities of Russian Federation	Garnaeva St. 2A, building 14, room 11, 140180, Zhukovsky, Moscow Region, Russia tel. +7 495 228 96 22, aviacom@rampport.aero	22.50*****
ZIA CARGO JSC	29 September 2016, code 1165040055938, State Register of Legal Entities of Russian Federation	Narkomvod St. 23, 140180, Zhukovsky, Moscow Region, Russia tel.+7 495 228 9626 info@ziac.aero , ww.ziac.aero	11.47*****

* - Shareholding through Helisota UAB

** - Shareholding through Jet Maintenance Solutions UAB

*** - Shareholding through Baltic Ground Services UAB

**** - Shareholding through FL Technics UAB

***** - Shareholding through Storm Aviation Limited

***** - Shareholding through associate Avia Solutions Group B.V.

Information about date of acquiring/establishment and activity of Group's subsidiaries is provided in Note 1 of the Group's Financial Statements for the year ended 31 December 2017.

As at 31 December 2017 the Company had one representative Office in the Russian Federation, Four Winds Plaza, 1st Tverskaya-Yamskaja Str., 21, Moscow, Russia , Moscow and no branches.

Agreements with intermediaries of public trading in securities

Securities' accounting services are performed by Orion Securities UAB FMĮ (code 122033915), A. Tumėno St. 4, B corps, 7 floor, LT-01109 Vilnius.

II. FINANCIAL AND OPERATIONAL INFORMATION

In 2017 *Avia Solutions Group AB* and its subsidiaries (hereinafter – the Group) generated net profit of EUR 5 million (in 2016 - EUR 8 million). Comparing with 2016 the consolidated revenue from continuing operations has increased up to EUR 349 million, or by 14% as compared with EUR 306 million.

The major events to the Group's structure during the year 2017 were as follows:

Date	Operating Segment	Event
March 2017	Private Jet Charter, Flight and Tour Operations	<i>Avia Solutions Group AB</i> established a new subsidiary named <i>KIDY Tour OOO</i> , where it holds 100 per cent of shareholding.
March 2017	Aircraft and Helicopter Maintenance, Repair and Overhaul (MRO)	<i>Storm Aviation Ltd.</i> established a new subsidiary named <i>Storm Aviation (Germany) GmbH</i> , where it holds 100 per cent of shareholding.
April 2017	Private Jet Charter, Flight and Tour Operations	<i>Avia Solutions Group AB</i> sold 100% of the share capital of <i>KlasJet UAB</i> to subsidiary <i>Jet Maintenance Solutions UAB</i> .
June 2017	Aircraft and Helicopter Maintenance, Repair and Overhaul (MRO)	<i>Avia Solutions Group AB</i> acquired 99.99885% of the share capital of <i>FL Technics Ulyanovsk</i> from subsidiaries <i>FL Technics Line OOO</i> and <i>FL Trading House UAB</i> .
July 2017	Aircraft Ground Handling and Fuelling	<i>BGS Trans (Ukraine) LLC</i> was established by the <i>Baltic Ground Services UAB</i> . Registered capital is UAH 149 100, <i>Baltic Ground Services UAB</i> fully paid for share capital.
August 2017	Private Jet Charter, Flight and Tour Operations	<i>Avia Solutions Group AB</i> sold 50% of the share capital of <i>Laserpas UAB</i> . European Union based investor acquired 500 000 newly issued ordinary registered shares of <i>Laserpas UAB</i> (50 per cent of the total registered share capital) for the total issue price of EUR 2 609 thousand. The Group retains the control in <i>Laserpas UAB</i>
October 2017	Private Jet Charter, Flight and Tour Operations	<i>KIDY Tour SIA</i> was established by <i>Avia Solutions Group AB</i> . Registered capital EUR 10 000, <i>Avia Solutions Group AB</i> fully paid for share capital.
October 2017	Crew Training and Staffing	<i>BAA Simulators UAB</i> was established by <i>BAA Training UAB</i> . Registered capital EUR 10 000, <i>BAA Training UAB</i> fully paid for share capital.
December 2017	Aircraft and Helicopter Maintenance, Repair and Overhaul (MRO)	<i>FL Technics UAB</i> additionally acquired 24% of the share capital of <i>Avia Technics Dirgantara PT.</i> from the third party. The investment for shares amounted to USD 374 400 (equivalent to EUR 318 thousand).

The consolidated financial statements of the Group have been prepared according to International Financial Reporting Standards as adopted by the European Union.

Key figures of the Group

Financial ratios	2017	2016
Return on equity (ROE)* (%)	8	13.7
Gearing ratio** (%)	27.2	31.2
Equity to total assets ratio*** (%)	41.1	40.7
Liquidity ratio	1.2	1.2
Number of full-time employees at the end of the period	2 297	1 954

* - *Return on equity (ROE)* = Net profit for the period / Total equity

** - *Gearing ratio* = Net debt / (Net debt + Total equity), *Net debt* = Borrowings – Cash and cash equivalents

*** - *Equity ratio* = Total equity / Total assets

Financial figures	2017	2016	Change
Revenue (EUR thousand)	348 542	305 960	+14%
Operating profit (EUR thousand)	7 812	10 515	-26%
Operating profit margin (%)	2.2	3.4	-1.2 p.p.
Profit (loss) before income tax (EUR thousand)	5 505	9 408	-41%
Net profit (loss) for the period (EUR thousand)	4 995	8 094	-38%
Net profit (loss) for the period margin (%)	1.4	2.6	-1.2 p.p.
Profit (loss) for the year attributable to equity holders of the parent	5 859	8 794	-33%
Earnings per share (EUR)	0.753	1.131	-33%
Weighted number of shares (thousand)	7 778	7 778	-

Operating figures	2017	2016	Change
Number of SOLD man-hours in base maintenance	457 338	421 193	+8.6%
Number of SOLD man-hours in engineering	68 915	58 282	+18.2%
Number of SOLD man-hours in maintenance training	14 111	10 422	+35.4%
Number of line stations at the end of the period	35	27	+8
Number of aircrafts served	15 569	12 621	+23.4%
Number of passengers served	1 442 563	1 182 387	+22.0%
Volume of fuel sold (tonnes)	232 969	279 613	-16.7%
TRTO - Number of sold theoretical training hours	16 836	11 478	+46.7%
TRTO - Number of sold practical training (FFS) hours	24 478	19 812	+23.6%

Revenue related to continuing operations

The total consolidated Group's revenue for the year ended 31 December 2017 was EUR 349 million, an increase by 14 per cent over the total revenue of EUR 306 million for the year ended 31 December 2016.

During the period revenue growth was noticed in all business segments as compared to the same period in 2016. *Aircraft and helicopter maintenance, repair and overhaul segment* revenue to external customers increased by EUR 3.9 million and amounted to EUR 147.1 million in 2017 as compared to EUR 143.2 million in 2016, which is a 2.7% increase. The growth was driven primarily by increase in spare parts and consumables sales, base maintenance and engineering services. The most significant increase (36.1%) was noted in base maintenance services, where revenue to external customers increased by EUR 8.9 million and amounted to EUR 33.5 million during 2017 as compared to EUR 24.6 million in 2016.

In 2017 *ground handling and fuelling segment* revenue to external customers increased by EUR 16.7 million (increase of 12%) and amounted to EUR 156.4 million as compared to EUR 139.7 million in 2016. The increase was caused by increased revenue from aircraft ground services. New contracts signed and significantly increased number of aircrafts served primarily drove revenue growth. *Baltic Ground Services* has started expansion to other countries and significantly strengthen position in existing airports.

Crew training and staffing business segment's revenue to external customers has increased by EUR 5.8 million (increase of 47.9%). During the 2017 subsidiaries offering training services generated revenue in amount of EUR 17.9 million as compared to EUR 12.1 million in 2016. The most significant amount in this segment was generated from TRTO sales.

During 2017 *private jet charter, flight and tour operations segment* generated revenue in amount of EUR 26.3 million, as compared to EUR 10.2 million in 2016, which is increase of 157.5%. *KIDY Tour* started its tour operator activity in April 2016. During 2017 *KIDY Tour* companies generated EUR 16.4 million revenue contributing to the segment's revenue.

Operating expenses related to continuing operations

In 2017 the most significant nominal change in expenses was due to the higher amounts sold. The most significant element in expenses is aircraft fuel expenses which totalled to EUR 135.1 million (increase of EUR 14.5 million compared to EUR 120.6 million in 2016).

Due to higher volume of sales, cost of goods purchased during 2017 increased by EUR 9.5 million (increase of almost 18.6%) to EUR 60.6 million as compared with EUR 51.1 million in the 2016. The most significant increase of these expenses was noted in MRO and ground handling and fuelling business segments. Costs of purchased services have not changed significantly - increased by EUR 1.4 million to EUR 48.5 million during 2017.

The Group is constantly expanding its operations to other countries as well as developing current activities. This led to an increase of rent and maintenance of premises expenses in 2017 by 10.5% to EUR 6.3 million as to compare with EUR 5.7 million during 2016. New locations increased business travel expenses by 18.5% up to EUR 3.2 million.

The Group expanded the number of employees, therefore, employee related expenses during 2017 increased by 26.1% and equalled to EUR 57.9 million compared with EUR 45.9 million in 2016.

Net financial costs increased primarily as a result of increase of foreign exchange loss on financing activities for the year ended 31 December 2017.

Balance sheet and cash flow

During the 2017 total assets of the Group increased by EUR 6.7 million or 4.6% comparing with EUR 145.7 million as at 31 December 2016 primarily as a result of increased levels of prepayments made in pilot and crew training, and ground handling and fuelling business segments, additionally, due to significant increase of cash and cash equivalents in pilot and crew training segment.

During the year ended 31 December 2017 total liabilities increased by EUR 3.4 million up to EUR 89.8 million primarily due to increase in advances received.

During the year ended 31 December 2017 net cash flow generated from operating activities increased up to EUR 9.9 million primarily due to advances received.

During the year ended 31 December 2017 net cash flow used in investing activities was EUR 6.4 million. The Group invested EUR 5.9 million to purchase property, plant and equipment and intangible assets.

During the year ended 31 December 2017 net cash flow used in financing activities was EUR 65 thousand which was primarily due to repayments of bank and lease borrowings and bank borrowings received.

Information about related party transactions

Information about related party transactions is provided in Note 35 of the Group's Financial Statements for the year ended 31 December 2017.

Related parties include the following:

- Entities having significant influence over the Company and the Group;
- Associates of the Group;
- Subsidiaries of the Company;
- Key management personnel of the Company and the Group;
- Other related parties.

Following the International Financial Reporting Standards as adopted by the EU, the parties related to the Company and the Group are the Company's subsidiaries and associates, entities having significant influence over the Company, key management personnel of the Group and other related parties. Entities having significant influence over the Company and the Group are ZIA Valda Cyprus Ltd and ZIA Valda AB (the sole shareholder of ZIA Valda Cyprus Ltd). Transactions with these companies are presented separately. Related parties also include subsidiaries of ZIA Valda AB group. They are presented as other related parties. Transactions with related parties are carried out based on the arm's length principle.

The Company and its subsidiaries are providing to each other business consulting and management services, aircraft maintenance, providing of spare parts, private jet charter services. In year 2017 amount of sales of consulting and management services from the Company to its related parties were EUR 2 665 thousand (during the 2016: EUR 2 650 thousand). During the 2017 amount of sales of aircraft maintenance services from the Group to related parties was EUR 5 205 thousand (2016: EUR 2 840 thousand). During the year ended 31 December 2017 amount of purchases of premises lease services was EUR 1 648 thousand (in 2016: EUR 1 663 thousand).

Investments related to continuing operations

The Group has maintained the level of its assets by investing in Property, plant and equipment as well as Intangible assets for the total amount of EUR 8.1 million (during 2016: EUR 7.9 million). The majority of capital investments from continuing operations (EUR 7.3 million) went to the development of aircraft maintenance, repair and overhaul business segment and aircraft ground handling and fuelling business segment. The remaining part was invested into a property of the other segments.

Investments ('000 EUR)	2017	2016	Change
Aircraft maintenance, repair and overhaul business segment	4 938	2 415	+104.5%
Aircraft ground handling and fuelling business segment	2 407	3 534	-31.9%
Crew training and staffing business segment	367	1 502	-75.6%
Unallocated business segment	228	254	-10.2%
Private Jet Charter, Flight and Tour business segment	184	145	+26.9%
Total investments	8 124	7 850	+3.5%

All details concerning the assets of the Group are presented in the Consolidated Financial Statements for the year ended 31 December 2017 (Notes 5, 15, 16).

Research and development activities

During the year ended 31 December 2017 the Group invested into on-going improvements of Group's services and especially:

- (a) Web-based aviation training management software MOMook dedicated for ATO, Type Rating Training Centers, Ab Initio Training Centers, and airlines with training centers;
- (b) Development of modern web-based and cloud-enabled operation management solution for airports and ground handling operators. SENSUS.AERO provides following modules: AODB (Airport Operational Data Base), RMS (Resource Management System), FIDS (Flight Information Display System), PA (Public Announcement), Quality Control System, GSE (Ground Service Equipment) management, commerce and billing, reporting, Rostering (Staff planning), Slot Coordination System, Fuel Operation management, Fuel Storage Management and DCS (Departure Control System);
- (c) XML invoicing for all BGS clients project. Already three companies – Wizzair, Ryanair, Vueling – are satisfied with the invoicing upgrade and numerous are in process to receive a specific XML format adjusted by each airlines accountancy needs.
- (d) Implemented e-learning system for faster, cheaper and better quality employee trainings. This system also helps to standardize employee training throughout whole group.
- (e) Started using video surveillance cameras to monitor quality of ground handling and fueling operations. It allows fast and easy control of operations, reducing the risk of errors and increasing operations efficiency.
- (f) *Laserpas* is currently in experience-gathering stage, performing 100-5000km projects as proof of concept to customers around the globe, with aim of achieving annual contracts;
- (g) Development of process based IT solution for aircrafts MRO organization. Modules that will be developed: Bidding & Quoting, Planning, HR, Quality, Execution, Parts & Tools, integrations with 3rd party software, such as Airbus (AMM documentation), Quantum, Navision, etc.
- (h) Development of Enterprise Resource Planning system for aviation MRO organizations – Sensus MRO. In 2017, the following modules were developed: System Core: System Configuration Management, User Permission Management, RESTful API, Third Party Solution Integration, Reporting, Powerful Search, Customized View, Data Changelog. Bidding and Quoting: Customer Profiles Management, Aircraft Management, Workscope Loading, Historical Data Analysis And Estimation, Project Budgeting And Quoting. Planning: Project Creation Based On Quotation, Hangar Slot Planning, Task And Subtask Planning, Tooling And Resource Pre-draw, Project Status Tracking And Change Management, Contract Costing Management. Executing: Work Orders Management, Material Management, Time And Labour Tracking, Structure Shop Maintenance Execution, Customer Portal. Operations Support: Human Resource Management, Tools Management, PQF And Authorization Management. Release and Invoicing: Maintenance Cost Administration, Invoicing Data Preparation, Performance Analysis, Project Closure.
- (i) The service of Secure Money Transactions, implemented on Locatory.com marketplace.
- (j) Shipping Services on Locatory.com marketplace, which allows users to calculate shipping costs, provides competitive prices that can reduce the costs and allows to order aircraft parts shipping directly on the marketplace.
- (k) Advertising Placement on the popular Locatory.com aircraft parts search engine which attracts 800 000 visitors a year.
- (l) Marketplace adaptation to allow shipping services and online sales of spare aircraft parts.

Environmental protection

In its activities, the Group uses innovative means and the modern technological processes that meet all ecological standards and help reduce the negative impact on the environment.

Risk management

The main risk factors associated with the activities of the Group are as follows:

- Strategic risk;
- Demand for aviation services;
- Changes in the legal regulation of the Group's activities;
- Competition with other market players;
- Currencies' exchange rates fluctuation;
- General economic situation in the Republic of Lithuania;
- Changes in the Lithuanian legislation;
- Safety, Health and Environmental (SHE) risks.

Strategic risk arises from adverse or erroneous business decisions, improper decisions implementation or lack of response to any political or regulatory developments. In 2017 the Group was constantly monitoring its' strategic risk.

Demand for aviation services risk is a risk of getting lower profit than planned due to adverse changes in aviation services market. During the year ended 31 December 2017 the Group has not experienced any significant adverse changes in aviation services market.

Changes in the legal regulation of the Group's activities risk is a risk of an increase in the loss and (or) loss of goodwill and a decrease of trust which can be due to external factors (such as law violations, regulatory non-compliance, failure to comply with contractual obligations with third parties) or internal factors (such as violations of ethical standards, failure to comply with internal regulations

internal fraud, etc.). Legal department manages legal compliances risks – lawyers are involved in agreement review process.

An economic downturn could have a significant detrimental effect on the achievement of the targets. This effect could be aggravated by *volatility in currencies*. The sensitivities to variations in several key currencies are analysed at the end of the year. The Group will proceed with its profit protection plans, including further control on operating working capital.

The Group has strict safety policies which mitigate *Safety, Health and Environmental (SHE) risks*.

Competition with other market players risk arises when price pressure and other competitive challenges may cause the profitability of the Group's activities to deviate from the projected levels. Companies' management is constantly monitoring the market and relevant decisions to increase competitiveness are being made.

The Group's activities expose it to the following financial risks: market risk (including foreign exchange risk, and cash flow and fair value interest rate risk), credit risk, liquidity risk.

The Group's Policy for Treasury Management focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects of the financial performance of the Group.

The Company's financial risk management is carried out by the CFO and the Management Board.

Information about the Company's and the Group's financial risk management is provided in Note 3 of the Group's Financial Statements for the year ended 31 December 2017.

Plans and forecasts

In 2017 the Group will strive for revenue increase in all business lines with the focus on lean operations and profitability. The Group will also work on managing start-ups and implementation of IT solutions for overall business effectiveness. It is expected to continue sustainable growth and geographical expansion.

III. INFORMATION ABOUT SHARE CAPITAL AND SHAREHOLDERS

Share capital

On 31 December 2017 the share capital of the Company amounts to EUR 2 255 555 and consists of 7 777 777 ordinary registered shares with a nominal value of 0.29 Euro each. All shares carry equal voting rights. All shares are fully paid up.

Share premium as at 31 December 2017 amounts to EUR 33 133 thousand.

Shareholders

On 31 December 2017, the Company had eighteen shareholders whose shares were accounted in Lithuanian securities depository system. The shares of remaining shareholders were accounted in Polish securities depository system. Due to prevailing private information protection laws in Poland, Polish National Depository for Securities is not able to provide the Company with information about number of Company's shareholders whose shares are accounted in Polish securities depository system.

Shareholders, holding more than 5 per cent of the share capital and votes, as on 31 December 2017 and as on 6 April 2018:

No.	Name of the shareholder	Company code and address	Number of ordinary registered shares owned by the shareholder	Share of the share capital (%)	Share of votes given by the shares owned by the right of ownership (%)
1.	ZIA Valda Cyprus Ltd.	Company code: HE 270489 Address: 1 Avlonos Street, Maria House, 5th floor, 1075 Nicosia, Cyprus	2 290 045	29.44	29.44
2.	Indeco: Investment and Development UAB	Company code: 300134995 Address: Žirmūnų Street 139, Vilnius, Lithuania	832 666	10.71	10.71
3.	VGE Investments Limited	Company code: HE 264242 Address: 15 Dimokritou Street, Panaretos El, Limasol, Cyprus	730 216	9.39	9.39
4.	Mesotania Holdings Limited	Company code: HE 280922 Address: 1 Avlonos Street, Maria House, 5th floor, Nicosia, Cyprus	699 115	8.99	8.99
5.	Harberin Enterprises Limited	Company code: HE 268672 Address: 7 Florinis, Greg Tower, 6th floor, Cyprus	605 227	7.78	7.78
6.	Other shareholders	-	2 620 508	33.69	33.69
Total			7 777 777	100.00	100.00

The number of shares owned by the Management of the Company, members of the Management Board and Supervisory Council as on 31 December 2017 and as on 6 April 2018 is listed in the table below:

Name	Role in the Company's Management	Number of shares	%
Mr Anatolij Legenzov	Member of the Management Board (until 29 March 2018), CEO of Helisota UAB	73 255	0.94
Mr Aurimas Sanikovas	Member of the Management Board, CFO of Avia Solutions Group AB	69 377	0.89
Mr Žilvinas Lapinskas	Member of the Management Board, CEO of FL Technics UAB	32 960	0.42

Treasury stocks

On 31 December 2017 neither the Company nor its subsidiaries hold any treasury stock.

Acquisition of treasury stocks

Under applicable Lithuanian laws a qualified $\frac{3}{4}$ majority of votes of shareholders is required to adopt a resolution on the acquisition of its own shares. The Company is not entitled to exercise property and non-property rights conferred by such shares.

The Company may acquire its own shares under the following conditions: a) the acquisition of its own shares shall occur within a period of eighteen months after the resolution of the General Shareholders' Meeting specifying the terms, conditions and purpose for the acquisition of its own shares is adopted; (b) the total nominal value of the shares to be acquired shall not exceed one-tenth of the

share capital of the Company; (c) after the acquisition of its own shares, the Company's equity shall not fall below the sum of the paid share capital, mandatory reserve and the reserve for acquisition of own shares; (d) price for the treasury shares shall be paid from a special reserve for acquisition of its own shares which has to be formed by the Company prior to acquisition; (e) acquired shares shall be fully paid; (f) acquisition of its own shares by the Company shall ensure equal possibilities for all shareholders to sell their shares to the Company.

Shares that were acquired infringing the above listed requirements (a)-(d) must be sold within twelve months from the acquisition of these shares. If the shares are not sold during this period, then the corresponding portion of the share capital of the Company must be annulled.

Shall the Company undertake no actions to annul the preference shares which were acquired infringing the above listed requirements, the share capital shall be reduced accordingly by the court decision. The right to apply to the court shall be vested in the manager of the Company, the Management Board, the shareholder and the creditor. The General Manager of the Company shall be responsible for compliance with the requirements set for the acquisition of the treasury shares of the Company.

Shareholders' rights

None of the shareholders of the Company have any special controlling rights. Rights of all shareholders are equal. The number of *Avia Solutions Group AB* shares that provide voting rights during the General Meeting of Shareholders amounts to 7,777,777. One ordinary registered share of *Avia Solutions Group AB* gives one vote in the General Meeting of Shareholders. The Company and its subsidiaries do not own any shares of the Company.

The Company is not aware of any agreements between the shareholders that could limit transfer of securities and/or their ability to exercise their voting rights.

Type of shares	Number of shares	Nominal value in EUR	Total nominal value in EUR	ISIN
Ordinary registered shares	7,777,777	0.29	2,255,555	LT0000128381

Information about trading in the Company's securities

On 3 March 2011 shares of the Company were introduced to trading at Warsaw Stock Exchange (code: AVIASG).

Securities of the Company's subsidiaries are not traded publicly.

Dividends

The Company has not paid out to the shareholders any dividends.

IV. PERSONNEL

During the year 2017 the average number of employees was 2 270, while the total number of Group's staff has increased by 360 (which amounts to 18.8% increase). The most significant positive change has occurred in following companies: *Baltic Ground Services UAB*, *Baltic Ground Services RU OOO*, *FL Technics UAB*, *Jet Maintenance Solutions UAB*, *Storm Aviation Ltd.* and *Avia Technics Dirgantara* due to further expansion of offered services and growth of sales.

The breakdown of the number of full-time employees by the Group's companies as at 31 December 2017 and as at 31 December 2016:

The Group's companies	31 December 2017	31 December 2016	Change
Avia Solutions Group AB	72	60	+12
AviationCV.com UAB	38	25	+13
BAA Training UAB	118	103	+15
BAA Simulators UAB	-	-	-
Baltic Ground Services UAB	294	269	+25
Baltic Ground Services Sp.z.o.o.	86	101	-15
Baltic Ground Services UA TOV	33	31	+2
Baltic Ground Services RU OOO	122	90	+32
Baltic Ground Services EE OÜ	4	2	+2
Baltic Ground Services LV SIA	10	7	+3
Baltic Ground Service CZ s.r.o.	5	-	+5
Baltic Ground Services Trans UA LLC	1	-	+1
Laserpas UAB	14	7	+7
FL Technics UAB	836	755	+81
Jet Maintenance Solutions UAB	100	77	+23
FL Technics Line OOO	3	5	-2
FL Technics Ulyanovsk OOO	-	-	-
FLT Trading House UAB	-	-	-
Locatory.com UAB	29	34	-5
Storm Aviation Ltd.	107	81	+26
Storm Aviation (Cyprus) Ltd.	3	4	-1
Storm Aviation (Nigeria) Ltd.	4	2	+2
Storm Aviation (Germany) GmbH	5	-	+5
KlasJet UAB	24	11	+13
Helisota UAB	203	209	-6
Kauno aviacijos gamykla UAB	5	5	-
KIDY Tour UAB	20	11	+9
KIDY Tour OÜ	12	13	-1
KIDY Tour OOO	4	-	+4
KIDY Tour LV	4	-	+4
Avia Technics Dirgantara P.T.	130	46	+84
FL Technics Asia Co. Ltd.	11	6	+5
Number of all full-time employees at the end of the period	2 297	1 954	+343

The breakdown of the Group's number of full-time employees and average salaries by categories during the year ended 31 December 2017:

Employee category	Number as on 31 December 2017	Average monthly salary, EUR	Number as on 31 December 2016	Average monthly salary, EUR
Management (first and second level managers)	363	2 598	305	2 450
Specialists (qualified and/or certified, if the Company requires)	1 449	1 434	1 222	1 324
Other operative staff	485	809	427	810
Number of full-time employees at the end of the period from continuing operations only and weighted average monthly salary (before taxes)	2 297	1 486	1 954	1 387

The breakdown of the Group's number of part-time employees and average salaries by categories during 2017:

Employee category	Number as on 31 December 2017	Average monthly salary, EUR	Number as on 31 December 2016	Average monthly salary, EUR
Management (first and second level managers)	23	1 139	15	1 606
Specialists (qualified and/or certified, if the Company requires)	64	459	76	426
Other operative staff	33	585	22	586
Number of part-time employees at the end of the period from continuing operations only and weighted average monthly salary (before taxes)	120	624	113	614

The breakdown of the Group's number of employees (including part-time employees) by education level:

Education level	31 December 2017	31 December 2016
University third cycle studies (doctoral, postgraduate and residency studies)	4	2
University second cycle studies (master and specialized professional studies)	508	420
First cycle studies (bachelor studies, including non-university studies)	980	917
Secondary professional education	367	292
Secondary education	520	417
Primary education	35	19
Other	3	
Number of employees (including part-time employees) at the end of the period	2 417	2 067

The breakdown of the Company's number of full-time employees and average salaries by categories:

Employee category	Number as on 31 December 2017	Average monthly salary, EUR	Number as on 31 December 2016	Average monthly salary, EUR
Management (first and second level managers)	14	3 638	9	3 824
Specialists (qualified and/or certified, if the Company requires)	45	1 289	32	1 154
Other operative staff	13	1 071	19	1 003
Number of full-time employees at the end of the period and weighted average monthly salary (before taxes)	72	1 706	60	1 507

The breakdown of the Company's number of part-time employees and average salaries by categories:

Employee category	Number as on 31 December 2017	Average monthly salary, EUR	Number as on 31 December 2016	Average monthly salary, EUR
Management (first and second level managers)	3	420	3	408
Specialists (qualified and/or certified, if the Company requires)	1	1 715	2	1 174
Other operative staff	3	215	2	135
Number of part-time employees at the end of the period and weighted average monthly salary (before taxes)	7	517	7	549

The breakdown of the Company's number of employees (including part-time employees) by education level:

Education level	31 December 2017	31 December 2016
University third cycle studies (doctoral, postgraduate and residency studies)	3	1
University second cycle studies (master and specialized professional studies)	31	25
First cycle studies (bachelor studies, including non-university studies)	37	38
Secondary professional education	1	1
Secondary education	7	2
Number of employees (including part-time employees) at the end of the period	79	67

V. MANAGING BODIES OF THE ISSUER

According to the Articles of Association of *Avia Solutions Group AB*, the managing bodies of the Company are General Meeting of Shareholders, the Supervisory Council, the Board and the Head of the Company (the General Director).

The Supervisory Board is responsible for the supervision of activities of the Company and its management bodies. Board is responsible for the strategic management of the Company (including the appointment and removal of the General Director), whereas the General Director manages day-to-day operations of the Company and has the exclusive right to represent the Company in relations with third parties.

The decisions of the General Meeting made regarding the matters of competence of the General Meeting, are binding upon the Shareholders, the Supervisory Council, the Board, General Director and other officials of the Company. The Shareholders of the Company have the right to participate in the General Meeting.

The Supervisory Council is a collegial supervisory body, which is responsible for supervising the activities of the Company and its management bodies, the appointment and removal of the members of the Management Board, submitting its comments and proposals to the General Meeting on the Company's operating strategy, set of annual financial statements, draft of profit/loss appropriation, the annual report of the Company, the activities of the Management Board and the General Director, submitting proposals to revoke decisions of the General Meeting, Management Board or General Director, etc. The Supervisory Council consists of three members for a term of four years. Two members of the Supervisory Council comprise an Audit Committee. On 10 June 2016 during the meeting of the Supervisory Council it was decided to terminate the activities of previously established Nomination and Remuneration Committee of the Supervisory Council.

The Audit Committee is a collegial body, which is established to observe the integrity of financial information, review internal controls and risk management systems, ensure the effectiveness of internal control functions, make recommendations to the Supervisory Council in relation to the selection of the audit firm, etc. The members of the Committee as well as its' Chairman are appointed by the Supervisory Council. The Supervisory Council has the right to withdraw the Audit Committee *in corpore* or its' individual members and to appoint a new Audit Committee or individual members of the Audit Committee.

Members serving on the Board of the Company are acting jointly as a governing body of the Company. The Board approves the operating strategy, the annual report of the Company, the management structure of the Company and the positions of the employees, the positions to which employees are recruited by holding competitions, regulations of branches and representative offices of the Company, etc. The Board consists of five members. The members of the Board are elected for a term of four years. The Chairman of the Board is elected by the Board from its members for four years. The members of the Board are elected by the Supervisory Council in accordance with the procedure established by the Law on Companies of the Republic of Lithuania.

The Board elects and recalls the General Director, sets his/her remuneration and other conditions of the employment agreement, approves his/her office regulations, induces and applies penalties to him/her. The General Director is the Head of the Company. The Head of the Company is a one-man management body of the Company and, within his scope of authority, organizes the day-to-day operation of the Company.

Procedure for amending the Company's Articles of Association

Avia Solutions Group AB Articles of Association provides that present Articles of Association of the Company may be amended in the manner prescribed by the Lithuanian Company Law.

The Supervisory Council activities

According to the Articles of Association the Supervisory Council should be comprised of three members.

During the year ended 31 December 2017 three meetings of the Supervisory Council were held. The Supervisory Council reviewed and discussed the Group's Consolidated Financial Information for the year 2016, elected the new members of the Company's Audit Committee and elected the new member of the Company's Management Board.

Members of the Supervisory Council

On 28 April 2017 during the Annual Meeting of Shareholders Mr Vladas Bagavičius and Mr Tadas Goberis were elected as the new members of the Supervisory Council. On 20 September 2017 Mr Vaidas Barakauskas has resigned from his position in the Supervisory Council. As the cadence of the current Supervisory Council is until the Annual Shareholders' Meeting to be held in April 2018, the new Supervisory Council for the new term of cadence will be elected during this meeting.

Currently the Supervisory Council is comprised of two members elected until the Annual Shareholders' Meeting to be held in April 2018. The table below indicates the elected members of the Supervisory Council at the balance sheet date:

Name	Position within the Company	In the position	
		Since	Until*
Supervisory Council			
Mr Vladas Bagavičius	Member of the Supervisory Council (the independent member)	28 April 2017	30 April 2018
Mr Tadas Goberis	Member of the Supervisory Council (the independent member)	28 April 2017	30 April 2018

* - but, in any case, not longer than Annual Shareholders' Meeting to be held in April 2018.

Information about all members of the Supervisory Council is presented below:

Mr Vladas Bagavičius. Mr Vladas Bagavičius graduated from the Vilnius University, Faculty of Law in 1997. Mr Vladas Bagavičius is experienced in legal and management issues. He started his career in 1996 in area of securities market and related legal matters. Since 1999 till 2010 he lectured at International Business School of Vilnius University. From 2008 till 2017 Mr Vladas Bagavičius acted as a member/chairman of the Management Board in Agrowill Group AB (presently, AUGA group AB). He successfully led company through restructuring case, creating additional value for investors by merging Agrowill Group AB with Baltic Champs, UAB into one of the biggest agricultural units in Central and Eastern Europe. Mr Vladas Bagavičius does not participate in the capital of the Group entities.

Mr Tadas Goberis. Mr Tadas Goberis has obtained an exceptional level of experience in the sales and organization management, accumulated during almost 20 years of professional activity in aviation and IT industry. He started his career as a Sales Manager in 1999 at Baltic Amadeus UAB, the first IT company in Lithuania, providing programming and IT services. In 2001 Mr Tadas Goberis joined Sonex kompiuteriai UAB as a Project Manager, where he supervised and lead large IT projects. Four years later he was appointed as the Director of Tetraneta UAB, a daughter company of Sonex Group, which has provided IT outsourcing services in the market. In 2006 Mr Tadas Goberis joined Hewlett-Packard UAB, the Lithuanian branch of one of the world's leading IT technology vendor, Hewlett-Packard. Over the following two and a half years, Mr Tadas Goberis proved to be true and dedicated sales professional and was subsequently appointed to the position of Sales Director in Lithuania. In 2013, Mr Tadas Goberis was promoted to the position of the Sales Director in the Baltic States thus taking the lead of the entire sales team and organization for the region's three countries. The diverse experience Mr Tadas Goberis has accumulated throughout his successful professional career has lead him to the current position of the General Manager of AviaAM Leasing in 2013. Since 2014 Mr Tadas Goberis also acts as a Chairman of the Management Board of AviaAM Leasing AB. Mr. Goberis obtained a bachelor's degree in Business Management at Vilnius Gediminas Technical University, is regular speaker at professional aviation summits and conferences. Mr Tadas Goberis owns 147'239 shares in the AviaAM Leasing AB (0.34% of all the shares issued by AviaAM Leasing AB).

The Audit Committee activities

During the year 2017 one meeting of the Audit Committee was held. On 9 June 2017 Mr Vladas Bagavičius was elected as the Chairman of the Company's Audit Committee.

According to the Regulations of the Audit Committee the main functions of this committee are as follows:

- to observe the integrity of financial information provided by the Company with particular attention to the relevance and consistency of methods used by the Company and the Group;
- at least once a year to review internal controls and risk management systems to ensure that the main risks (including the risk associated with compliance with the existing laws and regulations) are properly established, managed and information of them is disclosed;
- to ensure the effectiveness of internal control functions;
- to make recommendations to the Supervisory Council with regard to the selection of external audit firm, its appointment, reappointment and dismissal, and with the terms and conditions of agreement with the audit firm. The Committee shall examine situations in which the audit firm or an auditor has a basis to resign, and provide recommendations on actions required in such case;
- to monitor the independence and objectivity of the external audit firm, to check whether the audit firm takes into account the requirements in relation to the audit partner rotation, inspect the amount of remuneration paid by the Company to the audit firm and other matters;
- to check the effectiveness of the external audit process and the administration's response to the recommendations made by the external auditor's firm in the letter to management;
- to decide and approve whether the Committee is satisfied with the independence of the audit process, providing a brief description of the steps taken to reach the appropriate conclusions.

Members of the Audit Committee

According to the Supervisory Council meeting held on 24 September 2014 the number of the members of the Audit Committee was reduced to 2. On 1 June 2017 during the meeting of the Supervisory Council Mr Vladas Bagavičius and Mr Tadas Goberis were elected as the new members of the Company's Audit Committee.

The table below indicates the elected members of the Audit Committee at the balance sheet date:

Name	Position within the Company	In the position	
		Since	Until*
Audit Committee			
Mr Tadas Goberis	Member of the Audit Committee	1 June 2017	30 April 2018
Mr Vladas Bagavičius	Chairman of the Audit Committee (the independent member)	1 June 2017	30 April 2018

* - but, in any case, not longer than Annual Shareholders' Meeting to be held in April 2018.

Information about members of the Audit Committee is presented in paragraphs above.

According to the Supervisory Council meeting held on 10 June 2016 the activities of the Nomination and Remuneration Committee were terminated.

The Board Activities

During the year ended 31 June December 2017 fifty-one meeting of the Board were held. During all Board meetings there was quorum prescribed by legal acts. The Board approved to take a loan from a third party by a Group company, the intention by a Group company to extend loan repayment from a third party, the claim assignment agreement between the Company and one of its subsidiaries, to issue and consolidate loans to Group companies, the purchase and selling of property, plant and equipment by the Group, the order repair works of helicopters' landing and take-off sites, the new office space rental agreement, the surety ship agreements of the Group companies, adopted a decision to prolong surety ship agreement under amended terms, agreed to amend bank overdraft agreements with Group companies and to prolong the pledges of the property and loan subordination agreement, entrance into warranty agreement and issuance of comfort letter for a Group company. The Board approved establishment of new subsidiaries, the acquisition of 99.99885% of share capital in FL Technics Ulyanovsk OOO from subsidiaries, selling of 100% of share capital in KlasJet UAB to a Group company, selling of 50% share capital of Laserpas UAB to a third party investor, confirmed to increase share capital in the Group companies, approved the Company's preparation and signing of term sheet agreement to buy share capital of a third party company. The Board decided on appointment of the new General Manager of the Company. During the meetings the set of annual financial statements of the Group and the Company as well as profit allocation for 2016 were approved.

Members of the Board

Currently the Management Board consists of five members. The Supervisory Council of Avia Solutions Group AB on 25 April 2014 unanimously decided to re-elect the members of the Management Board of the Company.

The table below indicates the elected members of the Board at the balance sheet date:

Name	Position within the Company	In the position	
		Since	Until*
Management Board			
Mr Gediminas Žiemelis	Chairman of the Management Board	25 April 2014	30 April 2018
Mr Aurimas Sanikovas	Member of the Management Board	25 April 2014	30 April 2018
Mr Linas Dovydenas	Member of the Management Board	8 September 2017	30 April 2018
Mr Žilvinas Lapinskas	Member of the Management Board	25 April 2014	30 April 2018
Mr Anatolij Legenzov	Member of the Management Board	25 April 2014	29 March 2018**

* - but, in any case, not longer than Annual Shareholders' Meeting to be held in April 2018.

** - Supervisory Council of the Company resolved to substitute Mr Anatolij Legenzov as the Company's Management Board member by Mr Ricardas Laukaitis as the new Company's Management Board member on 29 March 2018.

Information about all members of the Board is presented below:

Mr Gediminas Žiemelis. Mr Gediminas Ziemelis has a unique management and advisory experience. He started his career in 1999 as the Deputy Manager of the Vindication and Fraud Division in Lithuania Savings bank, AB (currently, Swedbank, AB), the Department of Problematic Assets and Vindication (1999–2001). He acted as the General Manager of Zvilgsnis is arciau UAB (2001–2005) (currently named Creditinfo UAB), which was engaged mainly in debt recovery and credit risk management, the General Manager of ZIA VALDA AB (2002–2006). Mr Gediminas Ziemelis is a Chairman of the Management Board in ZIA VALDA AB since 2008 and was a Business development Manager since 2007 till 2009. Mr Gediminas Ziemelis is the Chairman of the Management Board in Avia Solutions Group AB and the Manager of the Development Department since 2009 and was a member of the Supervisory Board in Agrowill AB (2004-2010) (currently AUGA group AB). Mr Gediminas Ziemelis also acted as a chairman of the Management Board of AviaAM Leasing AB (2012-2014).

During Mrs Gediminas Ziemelis carrier he led 3 companies to IPO, supported and consulted Chinese Banks, led a team of experts in a successful working session of the establishment of a Joint Venture with the Henan Province and China Aviation Agency.

Mr Gediminas Ziemelis actively participated in the creation of more than 10 successful startups like: Locatory.com, Laserpas.com, Skycop.com, AviationCV.com, etc.

Mr Gediminas Ziemelis obtained a bachelor's degree at the Faculty of Business Management in the Vilnius Gediminas Technical University, Lithuania in 1999 and a master's degree at the Faculty of Law in the Mykolas Romeris University, Lithuania in 2004. He has also finished the Program for Leadership Development (PLD) in the Harvard Business School, Boston, MA, U.S.: Accelerating the Careers of High-Potential Leaders. Mr Gediminas Ziemelis was selected twice among the top 40 most talented young industry leaders by Aviation Week & Space Technology and is a member of the YPO (Young Presidents Organization) organization.

Mr Aurimas Sanikovas. Mr Aurimas Sanikovas started his career as an audit associate in PricewaterhouseCoopers, Lithuania in 2001. In 2007 his last position held at the company was that of a manager. He performed supervision and execution of audit engagements performed in accordance with the IAS and US GAAS. Mr Aurimas Sanikovas has principal expertise in telecommunications, IT, manufacturing, construction, consumer products and energy sectors. From 2007 till 2010 he acted as the Chief Financial Officer of Avia Solutions Group Holdings AB. Mr Aurimas Sanikovas also acted as a member of the Management Board of Avia Asset Management AB (2008–2010), a member of the Management Board of FL Technics (2008–2010) and a member of the Management Board of Small Planet Airlines Sp.z.o.o. and Small Planet Airlines AS (2009–2010). He has also acted as the Interim General Manager of Avia Funds Management UAB (2010-2011). Moreover, since 2010 until January 2017 Mr Aurimas Sanikovas was a member of the Supervisory Board of Agrowill Group AB (presently, AUGA group AB). From 2012 Mr Aurimas Sanikovas is as a member of the Management Board of AviaAM Leasing AB. His main responsibilities at the Group include control of operations of subsidiaries, leading budgeting, reporting, treasury and risk management functions, finance function staffing, fund raising, deal structuring, tax planning and managing resolution of finance related issues. Mr Aurimas Sanikovas obtained his bachelor's and master's degrees in economics at the Faculty of Economics, Vilnius University, Lithuania with an exchange term in the University of Copenhagen. Since 2006 Mr Aurimas Sanikovas is a fellow of the Association of Chartered Certified Accountants (ACCA). Mr Aurimas Sanikovas owns 294,478 shares in the AviaAM Leasing AB (0.68% of all the Shares) and 69,377 shares of *Avia Solutions Group AB* (0.89 per cent of all shares). Mr Aurimas Sanikovas does not have interests in the share capital of any other legal entities.

Mr Linas Dovyđenās. Mr Linas Dovyđenās started his career in 1995 in Sanitex UAB, Lithuania. He worked for this company for 7 years and his last two positions held at the company were Key Account Manager and Regional Manager Horeca. From 2002 to 2007 he acted for Philip Morris Baltic States. He held the following positions at the company: Supervisor Key Accounts Baltic States, Manager National Sales Estonia, Manager Customer Development Lithuania and Manager National Sales Lithuania. Mr Linas Dovyđenās joined the Group in 2008. He held a position of the Chairman of the Supervisory Board of Small Planet Airlines AS and was a member of the Management Board in FL Technics. Mr Linas Dovyđenās from 2012 to 2014 was a member of the Management Board of AviaAM Leasing AB. During 2010 to 2017 he held position of General Manager and from 2017 he acts as a Chief Commercial Officer at the Company. He is in charge of developing and implementing global sales strategy for all Group companies with a special focus on corporate expansion in South East Asia, Asia, Africa and South America. In 1997 Mr Linas Dovyđenās obtained a bachelor's degree in Business and Business Administration at the Faculty of Economics, Vilnius University, and in 2006 he obtained an executive MBA at the Baltic Management Institute. Mr Linas Dovyđenās owns 221,717 shares in AviaAM Leasing AB (0.51% of all the shares). Mr Linas Dovyđenās does not participate in the capital of any other legal entities.

Mr Žilvinas Lapinskas. Mr Žilvinas Lapinskas has a deep international business expertise. He started his career as sales manager in Rubikon Prodimpeksas, since 1999 worked in City Service – OMX listed company, where he held CCO and Head of Facilities Management Department positions prior to becoming CEO in 2004. Mr Žilvinas Lapinskas took LEAN 6 Sigma Implementation courses as well as Facilities Management course at Dalkia Facility Management, Stockholm, Sweden. Mr Žilvinas Lapinskas holds a bachelor degree in Business Management. Since November 2013 Mr Žilvinas Lapinskas is CEO at FL Technics UAB. Mr Žilvinas Lapinskas is a direct shareholder of the Company and has 32,960 shares of *Avia Solutions Group AB* that accounts to almost 0,42 per cent of the share capital. Mr Žilvinas Lapinskas does not participate in the capital of any other legal entities.

Mr Anatolij Legenzov. Mr Anatolij Legenzov started his career in 1996 in Oxford Health Plans, LLC as an IT Support Analyst. He worked for this company for 2 years and since 1998 started his career in Helisota UAB. Prior to becoming General Director in 2013 Mr Anatolij Legenzov held International Sales Representative, Director International Sales, and Director for Commerce positions. Since 2011 he is a member of Helisota UAB Board. Mr Anatolij Legenzov studied in Kaunas University of Technology, obtained bachelor degree in Computer Science from University of Bridgeport and master degree in Computer Science from Columbia University. In 2001 he obtained an executive MBA at the Vytautas Magnus University. Mr Anatolij Legenzov is a direct shareholder of the Company and has 73,255 shares of *Avia Solutions Group AB* that accounts to almost 0.94 per cent of the share capital. Mr Anatolij Legenzov does not participate in the capital of any other legal entities.

Members of the Company's Administration

Company's Administration consists of three key executives: the Chief Financial Officer, the Director of Development and the General Director. All the employees of the Company are directly subordinated and report to the General Director.

Name	Position within the Company	In the position	
		Since	Until
Key Executives			
Mr Jonas Janukėnas	General Manager	07 November 2017	Indefinite
Mr Aurimas Sanikovas	Chief Financial Officer	30 September 2010	Indefinite
Mr Gediminas Žiemelis	Director of Development	30 September 2010	Indefinite

Mr Jonas Janukenas. Mr Jonas Janukenas started his career in 1998 at Arthur Anderson. He worked for this company for 3 years and his held position at the company was Senior Risk Management Consultant. From 2001 to 2007, he acted for Litesco, UAB as a Finance Director. In 2007 -2013 period, he joined City Service, AB as a Director of Finance and Administration. From 2012 to 2017 Mr Jonas Janukenas was Mano bustas, UAB (City Service operations in Lithuania) Chairman of the Board. From 2014 to 2017 he was Member of the Management Board and CEO of City Service, SE. Mr Jonas Janukenas joined the Company in 2017. He held a position of Advisor to the Chairman of the Board. From November 2017 he acts as a General Manager of the Company. From February 2018 he is a member of the Supervisory Board of AviaAM Leasing AB. Mr Jonas Janukenas does not participate in the capital of the Group entities.

Information about Mr Gediminas Žiemelis and Mr Aurimas Sanikovas is presented in paragraphs above.

Information about remuneration of key management of the Company and the Group personnel is provided in Note 36 of the Company's and the Group's Financial Statements for the year ended 31 December 2017. Members of Supervisory and Management Boards do not receive salary except if they are employed by the Group.

Information about total amounts calculated (excluding salary if the person is employed in the Company) for Members of Supervisory and Management Board of the Company and the Group during the 2017 and 2016:

Position ('000 EUR)	2017	2016
<i>Total amounts calculated for Members of Supervisory and Management Board of the Company</i>		
Members of Supervisory Board	23	-
Members of Management Board	4	4
<i>Total amounts calculated for Members of Supervisory and Management Board of the Group</i>		
Members of Supervisory Board	23	-
Members of Management Board	4	4

Remuneration for Management of the Company and the Group during the 2017 and 2016:

Position ('000 EUR)	2017	2016
Company's Administration (General Manager, Chief Financial Officer)	177	152
Administration of Group's Companies (General Managers, Chief Financiers)	2 045	1 855

Average monthly salary of the Group's General Managers and Chief Financiers:

Position (EUR)	2017	2016
Company's Administration (General Manager, Chief Financial Officer)	7 380	6 350
Administration of Group's Companies (General Managers, Chief Financiers)	4 369	4 295

There were no annual compensation (tantiemes) paid to the Company's Management, to the Company's Board members or Company's Supervisory board member during 2017.

During the year ended 31 December 2017 there were no guarantees or sponsorship granted to the members of the Supervisory or Management Boards or Management by the Company as well as none of subsidiaries paid salaries or other pay-outs to the members of the Boards or the employees of the Company for being members of their managing bodies, except one loan which constituted EUR 272 as at 31 December 2017. According to this loan agreement the employee has the right to put back the shares to the Company in a period from 31 March 2014 to 31 December 2018, if the Group achieves appointed EBT targets or if the Company's share price declines 10 or more percent compared to their acquisition price. As at 28 November 2014 the Company signed two put option agreements with the employees, related to the Key Management of the Group, which give them a right to put back the newly issued shares of the Company in a period from 1 January 2015 to 31 December 2018 under similar conditions as those presented above.

On 30 May 2017 the Company signed an agreement with an employee, related to the Key Management of the Group, which give a right to put back 10 per cent of shares to the Company if certain Profit before taxes target is achieved. Additionally the Company has a call option to buy back those shares. The Management of the Group has evaluated that the above mentioned option agreements made with the members of the Key Management of the Group do not have a material impact on these financial statements.

On 20 May 2016 and 1 June 2016 the Company signed two put option agreements with the Group employees, related to the Key Management of the Group, which give the right to put back acquired shares of the Company during the period from 30 April 2019 to 1 June 2019, if subsidiaries, where these employees are acting general managers, achieve appointed profit targets. The above mentioned employees have not yet acquired all agreed Company's shares thus put options are not valid at the moment.

During the year ended 31 December 2017 there were no transactions with subsidiaries or other related parties under harmful conditions for the Group.

All the Company's employment agreements with the employees, including management, of the Company are concluded following requirements of the Labour Code of the Republic of Lithuania. Employees are employed and laid off following requirements of the Labour Code.

There are no material agreements to which the Company is a party and which would come into effect, be amended or terminated in case of change in the Company's control.

Auditors

Auditors from PricewaterhouseCoopers UAB audited the balance sheet of the Company and together with its consolidated subsidiaries for the years ended 31 December 2010, 2011, 2012, 2013, 2014, 2015, 2016 and 2017 and the related statement of comprehensive income, statement of changes in equity and statement of cash flows and a summary of significant accounting policies and other explanatory notes for the years then ended.

On 29 April 2016, the shareholders of the Company during the Annual General Meeting of Shareholders elected UAB PricewaterhouseCoopers as the Company's audit enterprise for the period of the next two years to perform the audit of the annual separate and consolidated financial statements of the Avia Solutions Group AB for the years 2016 and 2017, and to make the assessment of the consolidated annual report of the Company for the years 2016 and 2017. Shareholders authorized the Company's General Manager to conclude the agreement for audit services, establishing the payment for services as agreed between the parties but in any case not more than EUR 100 000 (VAT excluded) for the audit services.

Services provided by auditors to the Group and the Company are disclosed below:

Service ('000 EUR)	Group	Company
Audit services	93	19
Audit services of new subsidiaries not included in the list for Shareholders approval on 29 April 2016	17	-
Costs of collateral and other related services	1	-
Other services	4	3
Total:	115	22

VI. OTHER INFORMATION

Information about compliance with Corporate Governance Code

The Company complies with the Lithuanian corporate regime established by the Lithuanian law and the Articles of Association of the Company. Since 3 March 2011 the Shares of the Company are listed on the parallel market of the Warsaw Stock Exchange (the "WSE").

The WSE has adopted a corporate governance code, which is the Code of Best Practice for WSE Listed Companies 2016 approved by the resolution of the Exchange Supervisory Board on the date as of 13 October 2015 (the "WSE Corporate Governance Code") which can be found on the website dedicated to the corporate governance at the Warsaw Stock Exchange: www.corp-gov.gpw.pl.

The Company acknowledges the importance of good corporate governance and intends to seek the compliance with the WSE Corporate Governance Code to the extent possible. Especially, the Company intends to be as transparent as it is legally and practically possible using multilingual Company's website. Moreover, all members of the Supervisory Council are independent. However, due to, inter alia, differences between Polish and Lithuanian Corporate Law the Company does not comply with all the rules of the WSE Corporate Governance Code. A statement on the Company's compliance with the corporate governance recommendations and principles stipulated in the WSE Corporate Governance Code is contained in the Company's website and may be found by clicking the link below:

http://www.aviasg.com/private/uploads/images/corporate-governance/GPW_dobre_praktyki_Avia_Solutions_Group_AB.pdf

Publicly announced information

During the year ended 31 December 2017 the Company publicly announced through Warsaw Stock Exchange Information system and on own webpage the following information:

Publication Date	Title	Category of announcement
03 January 2017	Avia Solutions Group AB – Notice on transaction in issuer's securities ESPI Report No 1/2017	Notification on material event
14 February 2017	Consolidated Financial Information for the year ended 31 December 2016 (Unaudited) ESPI Report No 2/2017	Interim information
6 April 2017	Independent Auditor's Report, Separate and Consolidated Financial Statements, Consolidated Annual Report for the Year ended 31 December 2016 ESPI Report No 3/2017	Notification on material event
6 April 2017	Notice on Annual General Meeting of Shareholders ESPI Report No 4/2017	Notification on material event
4 May 2017	Notice on the decisions adopted by the Annual General Meeting of Shareholders of AB Avia Solutions Group ESPI Report No 6/2017	Notification on material event
15 May 2017	Consolidated Financial Information for the three-month period ended 31 March 2017 (Unaudited) ESPI Report No 7/2017	Interim information
07 August 2017	The subsidiary company of AB "Avia Solutions Group" has attracted third party investment ESPI Report No 9/2017	Notification on material event
16 August 2017	Consolidated Financial Information for the six-month period ended 30 June 2017 (Unaudited) ESPI Report No 10/2017	Interim information
24 August 2017	Avia Solutions Group AB – Notice on transaction in issuer's securities ESPI Report No 11/2017	Notification on material event
08 September 2017	Avia Solutions Group AB – Notice on changes in the structure of the Management Board of Avia Solutions Group AB ESPI Report No 12/2017	Notification on material event
21 September 2017	Avia Solutions Group AB – Notice on changes in the structure of the Supervisory Council of Avia Solutions Group AB ESPI Report No 13/2017	Notification on material event

07 November 2017	Avia Solutions Group AB – Notice on change of the General Director of Avia Solutions Group AB ESPI Report No 14/2017	Notification on material event
15 November 2017	Consolidated Financial Information for the nine-month period ended 30 September 2017 (Unaudited) ESPI Report No 15/2017	Interim information
29 December 2017	Avia Solutions Group AB financial reporting in 2018 ESPI Report No 16/2017	Investor news

Contents of above mentioned announcements can be obtained on Company's webpage:
<http://www.aviasg.com/en/investor-relations/major-events.html>

Information about Consolidated Social Responsibility Report

The Company prepared Consolidated Social Responsibility report that is presented separately.

CONSOLIDATED SOCIAL RESPONSIBILITY REPORT

I. GENERAL INFORMATION

Reporting period Year ended 31 December 2017

Issuer and its contact details

Name of the Issuer	Avia Solutions Group AB (hereinafter – ‘Avia Solutions Group AB’ or ‘the Company’)
Legal form	Public company (joint-stock company)
Date of registration	31 August 2010
Name of Register of Legal Entities	State Enterprise Centre of Registers
Code of enterprise	302541648
Registered office	Smolensko St. 10, LT-03201 Vilnius, Lithuania
Telephone number	+370 5 252 5500 / +44 20 808 99777
E-mail	info@aviasg.com
Internet address	www.aviasg.com

This report presents the corporate social responsibility ventures of Avia Solutions Group and its subsidiaries in 2017.

In this report, Avia Solutions Group presents non-financial information to all its stakeholders: customers, shareholders, investors, employees, suppliers, businesses and social partners, as well as the general public.

Preparation of this report has been inspired by the Guidelines G4 of the Global Reporting Initiative (GRI) of the United Nations. G4 Guidelines are recommended internationally as one of the most advanced methodologies for non-financial reporting intended to measure and provide information to both internal and external stakeholders.

Recommendations of the Lithuanian Association of Responsible Business (LAVA) on information to be presented by responsible business were also considered when preparing the report.

Stakeholders are always welcome to submit their comments, feedback and questions.

AVIA SOLUTIONS GROUP

Avia Solutions Group is an international, publicly traded aviation holding company with over 20 subsidiaries worldwide. Headquartered in Vilnius, Lithuania; the Group has representative offices in the USA, the UK, Poland, Serbia, Estonia, Russia, Thailand, and Indonesia. Avia Solutions Group’s shares have been publicly traded on the Warsaw Stock Exchange (WSE) since 2011.

With over 1600 customers across the Americas, Europe, Asia, the Middle East, and Africa; Avia Solutions Group is among the market’s leading providers of the following solutions:

- Maintenance of airplane and helicopters
- Aviation staff training and recruitment
- Ground handling and fueling
- Aviation IT solutions
- Private charter flights
- UAV inspections
- Tourism

The Group unites a team of over 2000 professionals working and living across 40 countries worldwide. Group companies and their teams are active members of various local communities, providing extended support to sport, culture, environment, and health-related organizations and groups.

As a global service provider, our daily operations and strategic developments are based on three core values:

- Professionalism – We explore every situation with precision and treat every case uniquely when creating solutions.
- Responsibility – We take 100% responsibility for our solutions and services.
- Flexibility – We work without any prejudices. That is a major success factor in finding the best way to improve any situation.

We are large enough to ensure complete and fully integrated personnel, fleet, and other solutions; but we are also small enough to offer flexibility, responsiveness, accessibility, as well as personal and cost-efficient services.

II. OPERATING DATA

The Group is involved into business units based on the services provided, and has five reportable operating segments. Detailed information about main activities of operating segments has provided in the Part I of the Consolidated Annual Report of *Avia Solutions Group AB* for the year ended 31 December 2017. Financial information for sales to external customers, cost and operating expenses, other income, other gain/loss and operating profit according to the Group's business segments has provided in the Note 5 of the Separate and Consolidated Financial Statements of *Avia Solutions Group AB* for the year ended 31 December 2017.

The following table highlights selected operating data for the business segments for the periods indicated.

Operating figures	2017	2016	Change
Number of SOLD man-hours in base maintenance	457 338	421 193	+8.6%
Number of SOLD man-hours in engineering	68 915	58 282	+18.2%
Number of SOLD man-hours in maintenance training	14 111	10 422	+35.4%
Number of line stations at the end of the period	35	27	+8
Number of aircrafts served	15 569	12 621	+23.4%
Number of passengers served	1 442 563	1 182 387	+22.0%
Volume of fuel sold (tonnes)	232 969	279 613	-16.7%
TRTO - Number of sold theoretical training hours	16 836	11 478	+46.7%
TRTO - Number of sold practical training (FFS) hours	24 478	19 812	+23.6%

Detailed information about operating figures of each business segment has provided in the Part II of the Consolidated Annual Report of *Avia Solutions Group AB* for the year ended 31 December 2017.

III. CORRUPTION PREVENTION

It is the policy of Avia Solutions Group and its subsidiaries to be intolerant of corruption and its manifestations, from both the Group itself and from any third parties with which the Group conduct business. Avia Solutions Group companies seek open and fair competition as well as relevant business conditions regarding procurement and relations with their clients and partners.

Avia Solutions Group companies are politically neutral and do not provide any financial support to political parties, groups, or politicians. No key managers or major shareholders are known to hold any positions outside the Group that could pose a risk of corruption. Additionally, Avia Solutions Group is committed to commercial transparency and for this reason completes a comprehensive due diligence process administered by TRACE International, Inc., the world's leading anti-bribery standard setting organization. In 2017 Avia Solutions Group initiated the TRACE certification renewal procedure for the year 2018.

When planning and participating in public procurement, in pursuit of successful procurement contracts, Avia Solutions Group and all related companies follow the Law of Public Procurement of the Republic of Lithuania and the Law of Competition, the implementation of those legislations, and other legal acts.

In 2017, Avia Solutions Group initiated the development of an anti-corruption policy, in an effort to prevent corruption. The policy is expected to go into effect within the Group companies in 2018.

Avia Solutions Group companies seek to avoid the risk of corruption in relation to all business relationships, products, or services provided and it is believed that risk of corruption is accurately managed.

In 2017, there were no identified actions that could be construed as corruption in either Avia Solutions Group or any related enterprises.

IV. THE EMPLOYEES

The employees of Avia Solutions Group and its subsidiary companies are considered the Group's most valuable asset. We believe that motivated and enabled employees drive the success of our Group. Therefore, the Group invests in employees and their well-being. Avia Solutions Group and its subsidiaries work together in order to maintain the Group's success by making and implementing added value decisions. We want our employees to feel engaged and motivated in an innovative and forward-thinking environment.

More detailed information about the breakdown of the Group's number of employees and average salaries by categories and education level is disclosed in the Group's Consolidated Annual Report part IV. "Personnel".

Relations between Group companies, supervisors and their employees, as well as, colleagues are essential. Therefore, we strive for an organizational culture, which encourages:

- Long-term partnership between an employer and an employee, based on trust, integrity, and our values.
- Great work environment for effective work, employee engagement, and socially responsible behavior.

We lead with our Human Relations Policy principles in order to attract and sustain great talent, provide them with tools for learning and improvement, show them direction, motivate them to share their unique ideas, and lead them to success.

Main Human Relations Policy principles:

- Fostering employee awareness as we create an effective, result-oriented, and innovative organizational culture
- Making necessary decisions promptly in order to manage the Group effectively
- Encouraging leadership – employees are encouraged to take action and responsibility
- Encouraging improvement, as we provide new employees with accumulated knowledge, share experiences with our colleagues, and provide opportunity to gain new skills
- Providing career opportunities in Group companies by listening to our employees and recognizing their passions

V. COMMITMENTS TO EMPLOYEES

Human Right Protection

Avia Solutions Group and its subsidiaries comply with the international human rights principles and standards in their activities while seeking to prevent human rights violations in the activities of each company: both in the adoption of internal legislation and in the planning and organization of day-to-day business activities. Group companies strive to maintain the fair wage policy by respecting overtime and working time, any other laws regulating legal labor relations, respecting the right of workers to rest, as well as being intolerant of harassment or violence of any kind.

Group companies do not tolerate discrimination. Group companies seek to provide equal opportunities for positions in the Company and related enterprises, participating in decision-making, and the development of professional qualifications. The Group companies comply with the Law on Equal Treatment of the Republic of Lithuania and other relevant legislation.

In accordance to Avia Solutions Group and its subsidiaries' valid internal regulations, relations between employees, clients, and the employer shall be based on mutual respect and business ethics. Moreover, employees, irrespective of their gender or other characteristics, shall receive equal salary for equal work. Avia Solutions Group and its subsidiaries seek to ensure a safe, comfortable, and healthy environment as well as to improve working conditions with the development of business.

In 2017, for the protection of human rights Avia Solutions Group and all related companies initiated the development of an equal opportunities policy and a system of remuneration that follows the requirements of the new Labor Code and good corporate practice.

Avia Solutions Group and its subsidiary companies seek to avoid business relations, products, or services that may put human rights at risk. All managers and major shareholders are also expected to prevent a working environment that would be conducive to any human rights violations.

In 2017, Avia Solutions Group and its subsidiary companies had no complaints and were not found in violation of any human rights. Avia Solutions Group and its subsidiaries strive to continue to ensure the protection of human rights within the Group.

Equal Opportunities

Avia Solutions Group is an Equal opportunity employer and believe that every person deserves the same opportunities regardless of gender, race, nationality, language, origin, social status, faith, convictions or beliefs, age, sexual orientation, disability, ethnicity, or religion. We provide all applicants with equal opportunities from the beginning stages of the recruitment process and continuing throughout all employees' career in our Group.

- We seek to ensure that all applicants are treated equally and provided with equal employment opportunities.
- Our recruitment and the process of employment are determined solely by individual characteristics of the person, education, work experience, abilities, and other criteria related to the job in the corresponding position.
- All employees are given equal working conditions, depending on the responsibilities of the employee and the work performed.
- When determining wages, we use objective criteria related to the qualification of the employee, the level of responsibility of the employee, skills, position title, nature of work performed, results achieved, and other objective criteria.
- We select candidates for promotion based on criteria that relate solely to the person's abilities, the quality of work performed, and personal achievements in the professional field.
- We take measures to ensure that employees are not subjected to harassment or sexual harassment in the workplace.
- We ensure that no instructions for discrimination are given and that no employee is persecuted.
- We protect employees from hostile behaviour or adverse consequences if a complaint or case is made about discrimination.

Training and Development

Training and Development opportunities for employees are under the responsibility of managers of the relevant department as well as the direct supervisor.

Training or Development tools are selected according to several factors:

- Employee Performance Evaluation. If an employee lacks some skills or competencies, required for his/ her work – the manager is entitled to choose a suitable Training program, in order to improve the employee's skill set.
- Implementation of new tools or programs. The manager is required to introduce his/ her team to any new tools or programs that are implemented in their daily routine.
- Development of new skills or competencies. The manager may choose to develop a certain employee's competency, e.g. Leadership, considering future career prospects.
- Development of employee's soft skills. An employee may need to learn the principles of time management, teamwork, communication, problem solving, etc.
- Need for innovation or fresh ideas. The manager can choose a certain training program/ conference for an employee or the whole team to strike new ideas and bring innovative decisions to daily tasks.
- Personal choice of an employee. The manager may take an employee's personal choice and suggestions into account, and give the employee an opportunity to study in his/ her chosen Training program.

During 2017, more than 600 Group employees attended training and development courses not only in the fields related to their work, but also to their soft skills – team-work, leadership, anger management, etc.

Employee soft skills were developed in training courses covering:

- Motivation, communication & cooperation;
- Anger and emotion management;
- Human values;
- Team-work;
- Time management;
- Godopoco training: communication and improvisation;
- Internal Communication;
- Effective meetings;
- Conflict & Stress management;
- Decision making;
- Public speaking;

Employee professional skills were developed in courses covering:

- English language courses;
- Business management;
- Sales;
- IT system testing;
- LEAN for managers;
- Managerial training;
- IFRS training;
- ACCA (Association of Chartered Certified Accountants) exams;
- Excel training;
- Group value proposition;
- Client support management;

Human Resource Management field:

- Basic Human Resource Management program;
- Recruitment & Selection;

Various refresher trainings for renewing the qualification in aviation mechanics and engineering fields.

Seminars & conferences:

- “Uncovering 50% of Sales Value”
- “HP discovery 2017”
- “LOGIN 2017”
- “HR Week Lietuva”
- Master Class HR conference
- “Agile Tour Vilnius 2017”
- “Innovation in Content Disarm and Reconstruction by OPSWAT”
- “Labor Code. Practice.”

We take the safety of our employees very seriously, therefore we provide various trainings for safe work environment and try to remind our employees of important safety requirements in every step of their work.

Safety training:

- Employee safety and health in the work place;
- First aid training;

We also prepare visual safety material for the employees, such as Safe work videos.

Some of our Group companies conduct hangar work safety audits to ensure safe and healthy environment for employees.

Education

Avia Solutions Group seeks to educate its employees. Therefore, various excursions have been organized. There were more than 3 excursions organized for newcomers to visit Group companies, for example companies, specializing in MRO (Maintenance, Repair & Overhaul) or aviation training. There were several excursions organized for visiting local attractions such as the renovated Martynas Mažvydas National Library of Lithuania.

Organizational Culture

To start with a small but important subject, we want our employees to be productive and effective. Therefore, we take care of their thirst, hunger, warmth, energy supplements, and vitamins – we provide mineral water, freshly ground coffee and various types of teas, seasonal fruit, and snacks.

We encourage our employees to participate in various socially responsible initiatives, organized by our Human Resource Management team, or to suggest their own ideas for socially responsible behaviour. Helping the lesser ones always brings the team together, and gives each of us purpose to do and achieve more.

There are 2 major events during the year – an Annual Summer Party, and a Winter Conference/ Party. Both events are organized in order to bring everyone together and show the spirit and prospects of the Group. The Annual Summer Party invites employees to experience different activities, spend some leisure time together, get to know each other better, and form a strong team in a pleasant destination. The Winter Conference allows employees to hear what has been done and what the plans are for the future of each company and the Group as a whole.

Employee Healthcare

Healthy food initiatives:

We care about our employees' health - therefore we choose various ways to support their healthy choices.

- Water:

Average consumption of water per day should reach up to 2 liters of water. Therefore, we provide unlimited access to mineral water for employees, in order to keep them hydrated.

- Fruits:

Avia Solutions Group and its subsidiaries provide fruit baskets for their employees each or every other week, in order to provide healthy choices and keep employees full of vitamins to avoid sickness. Almost 2 tons of fruit has been delivered to the offices of Avia Solutions Group and its subsidiaries.

Disease Prevention

- Furthermore, several Group companies provided employees with an opportunity to get a flu vaccine before the epidemic started. Vaccine specialists come to the offices for the convenience of the employees. They also educate employees about the benefits of vaccines.
- Avia Solutions Group cares about the healthy posture of its employees. Therefore, the physiotherapists have visited Avia Solutions Group on several occasions in 2017. The physiotherapists from “Gemma” (<http://www.gemma.lt/en>) presented the importance of a correct posture, a correct way to sit, which positions to avoid at work. Furthermore, the specialists have shown several work-outs to practice at work.

Physical activities

- Avia Solutions Group and its subsidiaries encourage employees to lead an active lifestyle. More than 70 employees participated in different marathons: Danske Bank Vilnius Marathon (<https://www.vilniausmaratonas.lt/>), We Run Vilnius (<http://werunvilnius.lt/>). The Group companies covered the entrance fee and provided T-shirts for the marathons.
- Avia Solutions Group supports the uniqueness of its employees – all hobbies are appreciated. Therefore, during the summer of 2017 Avia Solutions Group funded 10 visits to “Smėlio Arena” (<http://www.beacharena.lt/>). All of the employees who wished to do so had the opportunity to try beach volleyball. It worked as a great team-building activity, as employees from different departments and companies joined together for a game.

VI. INVESTING IN THE FUTURE OF OUR SOCIETY

Avia Solutions Group is highly dedicated to investing in the new generation. Investments are offered not only monetarily, but also in terms of providing great internship opportunities, participating in career fairs, encouraging managers and employees to give presentations on various topics to students, and spreading the word about unique career opportunities within the aviation industry.

The Group works closely with various universities and colleges, in order to share the best practices and our invaluable experience with students. Some of the educational institutions Avia Solutions Group and its subsidiaries cooperate with are: ISM University of Management and Economics, Vilnius Gediminas Technical University, Kaunas University of Technology, Vilniaus Kolegija, Vilnius University, Mykolas Romeris University, and others. For example, we have assisted Kazimieras Simonavičius university in perfecting the Aviation Management Bachelor program.

One of our most cherished initiatives in 2017 was becoming a Golden Sponsor of the “VGTU graduates: 100 prospects” project (<http://www.vgtu.lt/studijos/karjera-studentams/projektas-vgtu-absolventai-100-perspektyvu-2017/275853>). The top 100 graduates were chosen from every university’s faculty. The evaluation criteria system was not solely related to academic achievements. A lot of attention was devoted to the graduates’ activities not related to university, i.e. entrepreneurial skills, volunteer work, achievements in sports and arts, personal characteristics, abilities, and motivation.

In order to spread the word about aviation as an interesting business field as well as encourage young people to seek prosperous career opportunities in aviation – Avia Solutions Group participates in various Career fairs, e.g. ISM Career day 2017, Vilniaus Kolegija Career day 2017, KTU WANTED Career Days 2017, etc.

Avia Solutions Group offers various internship opportunities in the fields of Administration, HR, Finance, Legal, Marketing, Communication and Public Relations, IT, Data management & Analytics, Sales, Aviation management, Avionics and Aviation Mechanics, etc.

The Group company Aviation CV became the winner of the competition “Praktika Nr. 1” in 2017, organized by the Ministry of Education and Science and the news portal Delfi.lt (<https://www.delfi.lt/projektai/archive/delfi-skaitytojai-isrinko-geriausias-imones-praktikai-atlikti.d?id=75125232>). This achievement was presented to the company offering the most interesting and valuable internship in Lithuania.

Some of the managers and specialists, as well as the Chairman of the Board of Avia Solutions Group, have given presentations to students on the topics of Aviation Management, Sales, Human Resource Management, IT, etc.

Avia Solutions Group organizes different excursions for students. For example, one of the Group companies, specializing in the MRO field, has organized a few student visits from Kaunas University of Technology, Aviation engineering, and mechanical engineering study programs. Furthermore, as it is important to introduce the aviation field to the general public, one visit was organized by the Lithuanian Labour Exchange, in concurrence to their financed program “Atrask Save” (https://www.ldb.lt/Informacija/ESParama/Puslapiai/esf_atrask_save.aspx).

One of the most successful projects Avia Solutions Group participates in is initiated by “Sėkmės mokykla” (<http://www.sekmesmokykla.lt/naujienos/moksleivi-pildyk-anketa-i-moksleiviu-praktikos-savaite/>). The project offers high school students a week-long internship at a chosen company. Each year Avia Solutions Group invites several high school students to visit our Group and experience aviation from within.

VII. CHARITY WORK AND DONATIONS

During 2017, Avia Solutions Group participated in a number of charity activities. Avia Solutions Group participates and takes initiative in charity activities as both, a whole Group, and separate companies, depending on their preferences and field of work. Below is a list of the main charity activities we participated in during 2017.

- One of the Group companies participated in a project “Kommedija 2017” (<http://kommedija.lt/#apie>), which focuses on a series of lectures and practical cases on business communication for the students of Vilnius University. The donation sum was 100 Euros.
- The employees of Avia Solutions Group took part in an event “Ančiukų lenktynės 2017” (<https://www.facebook.com/AnciukuLenktynes/>), which was organized by “Vilniaus Rotaract Klubas”. The employees of Avia Solutions Group joined forces by buying rubber ducklings to compete in a race. The profit was donated to children, who have talents, but no financial opportunities to pursue their dreams.
- Avia Solutions Group joined the great cause of “Vilniaus Šv. Kristoforo Rotary klubas” to support a foster care home “Antazavės Vaikų Globos Namai” (<http://antazaves-vgn.lt/naujienos/148-vilniaus-sv-kristoforo-rotary-klubo-dovana>).
- Avia Solutions Group and its employees joins the charity initiative “Mažoji širdelė – didelės idėjos” each year (<http://maltieciai.lt/akcijos-mazoji-sirdelje-dideles-idejos-rezultatai/>), which is organized by the Order of Malta Relief Organization in Lithuania. Donations include children’s clothes, books, school supplies, toys, and games for children from poor families.
- Various excursions were organized for children from schools and kindergartens. 6 excursions were organized by “Investuok Lietuva” to introduce 10-12 grade students to the aviation sector and to the aviation technician specialty.
- One of the Avia Solutions Group companies and its employees joined together to provide financial support for the charity fund “Mamų unija” (<http://www.mamuunija.lt/>).
- One of the Avia Solutions Group companies joined the charity project “Išsipildymo akcija” (<http://issipildymoakcija.tv3.lt/apie-akcija/>) and donated almost 200 Euros to this cause.
- The children’s ensemble from the music school “Vilniaus B. Dvariono dešimtmetė muzikos mokykla” was invited to participate in an event and have lunch with the employees.
- The employees of Avia Solutions Group generously donated dog/ cat food, toys, clothes and other required equipment to the homeless animal shelter “VšĮ Penka koja”.
- A single outdoor basketball court is renewed each year in a various schools or suburbs.
- Avia Solutions Group encourages employees to give back to society, and has organized several successful Blood Donation Campaigns for the employees throughout 2017.

VIII. ENVIRONMENTAL PROTECTION

Avia Solutions Group and its subsidiaries understands and supports the importance of environmental protection. Therefore, the Group aims to reduce environmental impact each year. We encourage employees, as well as clients and suppliers, to preserve the environment.

Energy saving initiatives

Environmental sustainability starts with small things – preserving energy by turning off lights when not needed; recycling paper, plastic, and glass; using eco-friendly cleaning products in our offices; etc. The employees of Avia Solutions Group are encouraged to save electricity by informing them about different options to cut electricity usage, e.g. placing stickers with a reminder to save energy near light switches. Avia Solutions Group has placed recycling bins in offices so that employees have easy access to sustainable choices.

Suggestions for alternative transportation methods

Motor vehicle exhaust emissions are a significant source of pollution. In order to both, encourage employees to stay healthy and cut exhaust emissions from employee cars – Avia Solutions Group has installed a bicycle rack for environmentally friendly vehicles.

IX. PAPERLESS DOCUMENT AND PROCESS MANAGEMENT SYSTEM - DOCLOGIX

DocLogix is a document and process management system, which Avia Solutions Group chose in order to streamline the processes throughout the Group as well as to cut wasteful paper usage.

DocLogix, together with Avia Solutions Group's success story, was recognized as the best information and document management solution in Europe (<http://www.doclogix.com/doclogix-recognized-best-information-document-management-solution-europe/>).

We have implemented more than 70 processes in Avia Solutions Group – starting with holiday processing, contracts, employee familiarization, recruitment, and much more. We have even developed an ambitious invoice administration process that covers the entire cycle and integrates with other systems. It allows us to be almost completely paperless when it comes to invoices.

CONFIRMATION OF RESPONSIBLE PERSONS

Following Article 22 of the Law on Securities of the Republic of Lithuania and the Rules on Preparation and Submission of Periodic and Additional Information of the Bank of Lithuania, We, Jonas Janukėnas, General Manager of *Avia Solutions Group AB*, and, Aurimas Sanikovas, Chief Financial Officer of *Avia Solutions Group AB*, hereby confirm that, to the best of our knowledge, Consolidated Annual Report and Consolidated Corporate Social Responsibility Report of *Avia Solutions Group AB* for the year 2017 includes a fair review of the development and performance of the business and the position of the Company and the Group of undertakings in relation to the description of the main risks and contingencies faced thereby.

General Manager
Jonas Janukėnas



Chief Financial Officer
Aurimas Sanikovas

